



**NOTIFICATION UNDER ARTICLE 12.4 OF THE AGREEMENT
ON SAFEGUARDS BEFORE TAKING A PROVISIONAL
SAFEGUARD MEASURE REFERRED TO IN ARTICLE 6**

**NOTIFICATION UNDER ARTICLE 12.1(B) OF THE AGREEMENT ON
SAFEGUARDS ON FINDING A SERIOUS INJURY OR THREAT
THEREOF CAUSED BY INCREASED IMPORTS**

**NOTIFICATION PURSUANT TO ARTICLE 9, FOOTNOTE 2
OF THE AGREEMENT ON SAFEGUARDS**

PHILIPPINES

(Float Glass)

The following communication, dated 1 August 2019, is being circulated at the request of the delegation of the Philippines.¹

Further to G/SG/N/6/PHL/13 dated 13 March 2019 and pursuant to Article 12 and Article 9 of the WTO Agreement on Safeguards, the Permanent Mission of the Philippines to the WTO hereby notifies the Committee on Safeguards of its preliminary determination findings on the investigation on the importation of clear and tinted float glass from various countries, and before taking a provisional safeguard measure under Article 6 of the Safeguards Agreement.

1 PROVIDE THE PRECISE DESCRIPTION OF THE PRODUCTS INVOLVED

Clear and tinted float glass classified under AHTN Codes 7005.29.90 (clear float glass), 7005.21.90 (tinted float glass), including 7005.10.90 (reflective glass).

2 SPECIFY THE PROPOSED PROVISIONAL SAFEGUARD MEASURE

The provisional safeguard measure will take the form of a cash bond amounting to PhP 2,552/MT for clear float glass under AHTN Code 7005.29.90 and PhP 2,835/MT for tinted float glass under AHTN Code 7005.21.90, including reflective glass under AHTN Code 7005.10.90, for a period of 200 days from the date of issuance by the Bureau of Customs (BOC) of the relevant Customs Memorandum Order (CMO) or fifteen (15) days after the publication of the DTI Order in two (2) newspapers of general circulation, whichever comes earlier. The Order was signed by the Secretary of the DTI on 22 July 2019.

Imports originating from developing countries listed in Annexes A and B shall not be subject to the provisional safeguard measure.

¹ A copy of the DTI Administrative Order has been submitted electronically. To consult this document please contact Ms. Richards (anne.richards@wto.org) or Ms. Naville (delphine.naville@wto.org) of the Rules Division.

3 SPECIFY THE PROPOSED DATE OF INTRODUCTION OF THE PROVISIONAL SAFEGUARD MEASURE

The provisional safeguard measure is scheduled to enter into force upon issuance by the Bureau of Customs (BOC) of the relevant Customs Memorandum Order (CMO) or fifteen (15) days after the publication of the DTI Order in two (2) newspapers of general circulation, whichever comes earlier. The Order signed by the Secretary of the DTI was published in two newspapers of general circulation on 31 July 2019.

4 EXPECTED DURATION OF THE PROVISIONAL SAFEGUARD MEASURE, IF ANY DECISION ON THE DURATION OF THE SAFEGUARD MEASURE HAS BEEN MADE

The provisional safeguard measure will be in force for two hundred (200) days.

5 PROVIDE THE BASIS FOR:

(a) Making a preliminary determination, as provided for in Article 6, that increased imports have caused or are threatening to cause serious injury

A review of the evidence made available to DTI shows:

1) That the volume of imports of:

Clear float glass

- In absolute terms, increased during the period of investigation except in 2017. In 2017, imports of clear float declined by 24% over the 2016 level.
- In 2018, imports increased by 65% over the 2017 level. In 2019 (Jan. to Apr.), imports is 48% of 2018 level. Annualized 2019 imports recorded a 44% increase over 2018 level.

Tinted float and reflective glass

- In absolute terms, increased from 2013 to 2015, declined by 9% and 11% in 2016 and 2017, respectively.
- In 2018, imports increased by 49% over the 2017 level. In 2019 (Jan. to Apr.), imports were 74% of 2018 level. Annualized 2019 imports recorded a 121% increase over 2018 level.

2) That the increased imports caused serious injury to the domestic industry as follows:

Clear float glass

- Imports of clear float glass relative to domestic production significantly increased during the period of investigation.
- The share of imports of clear float glass to domestic production showed an increasing trend from 2013 to 2016. In 2017, the share of imports relative to domestic production declined which can be attributed to the imposition of an anti-dumping measure on the importation of clear float glass.
- In 2018, despite the anti-dumping measure, it was observed that imports relative to domestic production increased by 105% from 2017 share.

Tinted float glass

- The share of imports of tinted float glass and reflective glass to Philippine market increased significantly from 2013 to 2015. It declined in 2016 and further in 2017 when the anti-dumping measure was imposed on bronze float glass from PROC.
- In 2018, the share of imports to domestic production increased by 13% from 2017 share.

3) That increased imports were the substantial cause of serious injury to the domestic industry which was caused by increased imports based on the following:

Clear float glass

- A significant increase in the volume of imported clear float glass in 2014 (649%), 2015 (52%) and 2016 (15%), declined in 2017 (24%) but still higher by 894% than the pre-surge level (2013). In 2018, clear float glass increased by 65% over 2017 level.

- Market share of the domestic product decreased during the period of investigation from 2013 to 2017 and dropped in 2018, as the share of imports in the domestic market significantly increased.
- The industry incurred losses from 2013 to 2017, recovered by 2018 with a return on sales of less than 1%.
- Inventory increased from 2013 to 2017 but despite the decline in volume in 2018, inventory value increased by 10%.

Tinted float glass

- There was a significant increase in the volume of imported tinted and reflective float glass in 2014 (301%) and 2015 (119%), dropped in 2016 (9%) and in 2017 (11%), still higher compared to the 2013 level recorded at 614%, but increased by 49% in 2018.
- Market share of the domestic product decreased during the period of investigation from 2013 to 2017 and dropped in 2018, as the share of imports significantly increased.
- The industry incurred losses in 2015 and 2016 but recovered in 2017 and 2018.
- Inventory increased from 2013 to 2018

(b) Determining that there are critical circumstances where delay would cause damage which it would be difficult to repair

There are also other factors that contributed to the existence of critical circumstances, such as zero tariff rates for imported clear and tinted float glass including reflective glass and ten percent (10%) MFN, which is lower than the 15% ACFTA which allowed exporters to easily penetrate the market. Further, the imposition of trade remedy measures in other countries has resulted to export diversion to the Philippines which caused surge in imports of clear and tinted float glass as well as reflective glass in the local market.

6 OFFER OF CONSULTATIONS

The Government of the Philippines offers consultations on the provisional safeguard measures.

ANNEX A

**LIST OF DEVELOPING COUNTRIES AND SEPARATE CUSTOMS TERRITORIES
EXCLUDED FROM THE IMPOSITION OF THE PROVISIONAL SAFEGUARD MEASURE
ON THE IMPORTATION OF CLEAR FLOAT GLASS**

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 & Principe		
South Africa	Senegal		
Sudan	Sierra Leone		
Tanzania	Togo		
Uganda			
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	Israel	Aruba	Christmas Is.
Bosnia & Herzegovina	Jordan	Bahamas	Chinese Taipei
Bulgaria	Kuwait	Barbados	Cocos (Keeling) Is.
Croatia	Lebanon	Belize	Cook Is.
Cyprus	Oman	Bermuda	Fiji
Czech Republic	Qatar	Bolivia	French Polynesia
Estonia	Saudi Arabia	Brazil	Guam
Georgia	Syrian Arab Rep.	British Virgin Islands	Hong Kong, China
Greenland	United Arab Emirates	Cayman Islands	Johnston Is.
Hungary	West Bank & Gaza	Chile	Kiribati
Kazakhstan	Yemen, Rep.	Colombia	Korea, Dem. Rep.
Kyrgyz Republic		Costa Rica	Korea, Rep.
Latvia		Cuba	Lao, PDR
Lithuania		Dominica	Macau, China
Macedonia, FYR		Dominican Rep.	Marshall Islands
Malta		Ecuador	Micronesia, Fed. Sts.
Moldova		El Salvador	Midway Is.
Poland		Falkland Is. (Malvinas)	Mongolia
Romania		French Guiana	Myanmar
Russian Federation		Grenada	Nauru
Slovakia		Guadaloupe	New Caledonia
Slovenia		Guatemala	Niue
Tajikistan		Guyana	Northern Marianas Is.
Turkey		Haiti	Palau
Turkmenistan		Honduras	Papua New Guinea
Ukraine		Jamaica	Pitcairn Is.
Uzbekistan		Martinique	Samoa
Yugoslavia, Fed. Rep.		Mexico	Singapore
		Montserrat	Solomon Islands
		Netherland Antilles	Tokelau
		Nicaragua	Tonga
		Norfolk Islands	Tuvalu
		Panama	Vanuatu
		Paraguay	Viet Nam
		Peru	Wake Is.
		Puerto Rico	Wallis & Futuna Is.
		St. Helena	
		St. Kitts & Nevis	
		St. Lucia	
		St. Pierre & Miquelon	
		St. Vincent & the Grenadines	
		Suriname	
		Trinidad & Tobago	
		Turks & Caicos Is.	
		Uruguay	
		US Virgin Islands	
		Venezuela	

ANNEX B

**LIST OF DEVELOPING COUNTRIES AND SEPARATE CUSTOMS TERRITORIES
EXCLUDED FROM THE IMPOSITION OF THE PROVISIONAL SAFEGUARD MEASURE
ON THE IMPORTATION OF TINTED FLOAT GLASS INCLUDING REFLECTIVE GLASS**

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 & Principe		
South Africa	Senegal		
Sudan	Sierra Leone		
Tanzania	Togo		
Uganda			
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	Israel	Aruba	Christmas Is.
Bosnia & Herzegovina	Jordan	Bahamas	Chinese Taipei
Bulgaria	Kuwait	Barbados	Cocos (Keeling) Is.
Croatia	Lebanon	Belize	Cook Is.
Cyprus	Oman	Bermuda	Fiji
Czech Republic	Qatar	Bolivia	French Polynesia
Estonia	Saudi Arabia	Brazil	Guam
Georgia	Syrian Arab Rep.	British Virgin Islands	Hong Kong, China
Greenland	United Arab Emirates	Cayman Islands	Johnston Is.
Hungary	West Bank & Gaza	Chile	Kiribati
Kazakhstan	Yemen, Rep.	Colombia	Korea, Dem. Rep.
Kyrgyz Republic		Costa Rica	Korea, Rep.
Latvia		Cuba	Lao, PDR
Lithuania		Dominica	Macau, China
Macedonia, FYR		Dominican Rep.	Marshall Islands
Malta		Ecuador	Micronesia, Fed. Sts.
Moldova		El Salvador	Midway Is.
Poland		Falkland Is. (Malvinas)	Mongolia
Romania		French Guiana	Myanmar
Russian Federation		Grenada	Nauru
Slovakia		Guadaloupe	New Caledonia
Slovenia		Guatemala	Niue
Tajikistan		Guyana	Northern Marianas Is.
Turkey		Haiti	Palau
Turkmenistan		Honduras	Papua New Guinea
Ukraine		Jamaica	Pitcaim Is.
Uzbekistan		Martinique	Samoa
Yugoslavia, Fed. Rep.		Mexico	Singapore
		Montserrat	Solomon Islands
		Netherland Antilles	Tokelau
		Nicaragua	Tonga
		Norfolk Islands	Tuvalu
		Panama	Vanuatu
		Paraguay	Viet Nam
		Peru	Wake Is.
		Puerto Rico	Wallis & Futuna Is.
		St. Helena	
		St. Kitts & Navis	
		St. Lucia	
		St. Pierre & Miquelon	
		St. Vincent & the Grenadines	
		Suriname	
		Trinidad & Tobago	
		Turks & Caicos Is.	
		Uruguay	
		US Virgin Islands	
		Venezuela	