



14 December 2023

(23-8586)

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Committee on Safeguards

Original: English

**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

Liquefied Petroleum Gas (LPG) Cylinders

The following communication, dated 6 December and received on 13 December 2023, is being circulated at the request of the delegation of the Philippines.¹

Further to [G/SG/N/6/PHL/20](#) dated 4 April 2023 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 liquefied petroleum gas (LPG) cylinders 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

Liquefied Petroleum Gas (LPG) cylinders classified under ASEAN Harmonized Tariff Nomenclature (AHTN) Code 73.11.

2. SPECIFY THE PROPOSED PROVISIONAL SAFEGUARD MEASURE

The provisional safeguard measure will take the form of a cash bond amounting to PhP2.18/kg on imported LPG steel cylinders under AHTN Code 7311, while the case is under formal investigation by the Tariff Commission, for a period of 200 days from the date of issuance by the Bureau of Customs (BOC) of an Order.

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

Importers of LPG steel cylinder 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

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

manufacture, subject to affixation of "Apostille" to the document or authentication by the Philippine Embassy/Consulate General, as applicable.

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). The Order signed by the Secretary of DTI was published in two (2) newspapers of general circulation on 29 November 2023.

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 LPG steel cylinders:
 - In absolute terms, imports of LPG steel cylinders accounted for more than 13,000 MT in 2017. In 2019, the rate of increase grew by 24% over the 2018 level. Imports sharply increased by 45% in 2020. In 2021, imports decreased by 13% but were still higher than the pre-surge level. The most recent data in 2022, slightly declined over the 2021 level but still higher than the pre-surge level;
 - In relative terms, the share of imports relative to domestic production continuously increased from 2019 to 2021.
2. That the increased imports caused serious injury to the domestic industry as follows:
 - Share of domestic sales to Philippine market exhibited a downward trend from 2018 to 2022, from a high of 58% to a low of 16%;
 - Imports share to Philippine market continued to increase by 42% in 2018, 66% in 2019, 73% in 2020, 76% in 2021;
 - Total production continuously declined from 2019 to 2021 by 34%, 36%, and 7%, respectively.
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:
 - The condition of competition showed that the market share of domestic product decreased during the POI. Imports continued to displace the domestic market and continued to cut into the industry's sales and market share from 2018 to 2022;
 - Domestic industry suffered significant impairment in its overall condition in terms of loss of market share, declining domestic sales, production, utilization rate, reduction in labor productivity, incurred losses and increase inventory.

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

The condition of competition shows that the market share of locally produced LPG steel cylinders was essentially displaced during the investigation as the share of imports in the Philippine market significantly increased. This has resulted to the domestic industry's loss of market share, declining

domestic sales, production, utilization rate, reduction in labor productivity, incurred losses and increase inventory. The negative financial status of the industry has made it increasingly difficult to get financing for its modernization, expansion, and operational requirements.

If the surge in imports will continue, the local industry will lose its market share to cheaper imported products. Without the local LPG industry, consistency and availability of local supply will be imperiled.

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 LIQUEFIED PETROLEUM GAS (LPG) CYLINDERS**

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
Congo. Dem. Rep.	Central African Rep.	Tunisia	Territory
Djibouti	Chad		Timor-Leste
Eritrea	Congo, Rep.		India
Eswatini	Cote d' Ivoire		Maldives
Ethiopia	Equatorial Guinea		Nepal
Kenya	Gabon		Pakistan
Lesotho	Gambia, The		Sri Lanka
Madagascar	Ghana		
Malawi	Guinea		
Mauritius	Guinea, Bissau		
Mozambique	Liberia		
Namibia	Mali		
Rwanda	Mauritania		
Seychelles	Niger		
Somalia	Nigeria		
South Africa	Sao Tome &		
Sudan	Principe		
Tanzania	Senegal		
Uganda	Sierra Leone		
Zambia	Togo		
Zimbabwe			

Europe & Central Asia	Middle East	Americas	East Asia & Pacific
Armenia Azerbaijan Georgia Kazakhstan Kyrgyzstan Tajikistan Turkiye Turkmenistan 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) Grenada Guatemala Guyana Honduras Jamaica Mexico Montserrat Netherland Antilles Nicaragua Norfolk Is. Panama Paraguay Peru Puerto Rico St. Helena St. Kitts & Navis St. Lucia St. Vincent & the Grenadines Suriname Trinidad & Tobago Turks & Caicos Is. Uruguay US Virgin Is. Venezuela	American Samoa Brunei Darussalam Cambodia Cook Is. Fiji French Polynesia Guam Hong Kong, China Indonesia Kiribati Korea, Dem. Rep. Lao PDR Macau, China Malaysia Marshall Islands Micronesia, Fed. Sts. Mongolia Myanmar Nauru New Caledonia Niue Northern Marianas Is. Palau Papua New Guinea Pitcairn Is. Samoa Singapore Solomon Islands Chinese Taipei Tokelau Thailand Tonga Tuvalu Vanuatu Wallis & Futuna Is.