GENERAL AGREEMENT ON
TARIFFS AND TRADE

Committee on Subsidies and
Countervailing Measures

REPLY BY THE PHILIPPINES TO A QUESTION PUT BY
THE EEC ON THE COUNTERVAILING DUTY LEGISLATION
OF THE PHILIPPINES

Reproduced herewith is a reply received from the permanent mission of
the Philippines to a question put by the EEC in document SCM/W/114/Add.1 on
the countervailing duty legislation of the Philippines.

Question:

Do the Philippine authorities assimilate the assessment of the
admissibility of a complaint under Articles 2:1 and 2:3 of the Code with a
preliminary finding that a subsidy exists and that there is sufficient
evidence of injury as provided in Article 5:1 of the Code? If this is the
case, how do the Philippine authorities reconcile such an approach with the
different provisions of these Articles? If this interpretation is not
correct, how do the Philippine authorities interpret the different
provisions of Articles 2:1 and 5:1?

Reply:

In pursuance of Section 302-a of the Philippine Tariff Code, the
Finance Secretary requires strict compliance with Section 3(d) (1) to (6)
of Department of Finance Order No. 300. Upon receipt of data, the Finance
Secretary first verifies existence of subsidy in subsidizing country and
determines whether there is injury or likelihood of injury to domestic
industry. Only upon a preliminary affirmative finding of both subsidy and
injury is a countervailing duty imposed. It is stressed that preliminary
affirmative findings are not automatic.

1Document SCM/l/Add.23/ and Suppl.1