DEPARTMENT OF TRADE AND INDUSTRY

SAFEGUARD MEASURES CASE NAME:

APPLICATION OF CERAMIC TILE INDUSTRY

PUBLIC VERSION

SGM CASE NO. : SG01-2026

DATE : 03 February 2026

REPORT ON THE INITIATION OF A PRELIMINARY INVESTIGATION ON THE APPLICATION FOR SAFEGUARD MEASURES ON THE IMPORTATION OF CERAMIC TILES FROM VARIOUS COUNTRIES

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I. INTRODUCTION

This is an evaluation report on the evidence submitted by the ceramic tiles industry represented by the Ceramic Manufacturers' Association Inc. (CMAI). Two (2) members of the association, namely, Mariwasa Siam Ceramics, Inc. (Mariwasa), and Formosa Ceramic Tiles Mfg. Corp. (Formosa), submitted their data in support of the safeguard measure application, while one of the members of the association has expressed support for the filing of application for the imposition of safeguard measures on the importation of ceramic tiles from various countries.

The ceramic tiles industry alleged that serious injury to the domestic industry was caused by the increased imports of ceramic tiles which is covered under HS 2017/2022, subheadings 6907.22 and 6907.23.

A. The Philippine Industry's Petition

A.1 Parties to the Petition - Domestic Industry/Petitioner

The petitioner is the Ceramic Manufacturers' Association Inc. (CMAI) which consists of the following producers:

Mariwasa Siam Ceramics, Inc. (Mariwasa), the biggest ceramic tile manufacturing company in the Philippines, is a joint venture of Coseteng Group and the Siam Cement Group (SCG) of Thailand. The partnership was forged more than fifteen (15) years ago in 1993 with then Mariwasa Manufacturing, Inc. (MMI).

Established in 1967, Mariwasa has pioneered manufacturing processes such as production of vitrified floor tiles, big size wall tiles, and 3rd fired ceramic tiles. This is the most famous brand in the Philippines.

Mariwasa Siam Ceramics, Inc., was born in December 1995 and was formally launched in June 1997.[1]

Formosa Ceramic Tiles Mfg. Corp., formerly Grand Caesar Ceramic Tiles Mfg. Corp., is a member of the Ten Zen group known to be the number two in wall tile category in Taiwan. The group currently owns and operates three factories and had grown rapidly, over the past two decades.

Starting 1997, imported tiles from the mother company have found their way to the satisfaction of classy residential homes, modern shopping malls, and resorts. Emboldened by encouraging market conditions, the Group finally decided to establish a modern factory in a five-hectare land in San Simon, Pampanga about 30-45 minute -drive from Manila. The first batch of production came out in December 1998 and in just a few months the company already established its niche in the Philippine market.[2]

[1] https://mariwasa.com/about-us/
[2] https://formosaceramic.com/about-us/

Time Ceramics Philippines Inc. (Time Ceramics), is a Chinese multi-purpose manufacturing enterprise specializing in R&D, manufacturing, sales, and trading for wall and floor tiles. Established in 1995, the company has nearly twenty-seven (27) years of experience in ceramics operating major manufacturing plants in China (Fujian, Jiangxi, Hubei), Africa (Nigeria), and Pakistan. It holds certifications such as ISO9001 and ISO14001. [3] Time Ceramics Philippines, Inc., is a member of the Petitioner Ceramic Manufacturers' Association that supported the Application, is a relatively new member and was only founded in 2023[4].

A.2 Legal Standing and Compliance with the Domestic Industry Requirement

In determining the compliance of the Petitioner with the domestic industry requirement, Section 6 (Initiation of Action Involving General Safeguard Measure), of RA No. 8800 provides as follows:

"Any person, whether natural or juridical, belonging to or representing a domestic industry may file with the Secretary a verified petition requesting that action be taken to remedy the serious injury or prevent the threat thereof to the domestic industry caused by increased imports of the product under consideration." (underscoring supplied)

Corollary thereto, Section 4(f) of RA No. 8800 (Definitions), defines the 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 domestic production of those products." (underscoring supplied)*

Moreover, Rule 4.1 of the Implementing Rules and Regulations of RA No. 8800 specifically states 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."*

Pursuant to the above-cited provisions, the Petitioner Ceramic Manufacturers' Association Inc., composed of domestic producers Mariwasa Siam Ceramics, Inc. (Mariwasa), Formosa Ceramics Tiles Mfg., Inc. (Formosa), and Time Ceramics Philippines, Inc. (Time Ceramics), evidently represents the domestic industry.

Further, as shown in the Application, there are no other domestic producers. Mariwasa and Formosa account for 100% of the total domestic production during the Period of Investigation from 2020 up to the first quarter of 2025. Time Ceramics, while a member of the Petitioner Ceramic Manufacturers' Association that supported the Application, is a relatively new member and was only founded in 2023[5]. Thus, the industry data necessary for the initiation of action which covers the last five (5) years preceding the date of application, is not present with respect to Time Ceramics.

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[3] https://philjobnet.gov.ph/job-vacancies/company/time-ceramics-philippines-inc-428288
[4] Time Ceramics Philippines, Inc., letter of support dated 19 August 2025.
[5] Ibid

Based on the foregoing, the collective output of the Petitioner at 100% share, clearly constitutes not only a major proportion of the total domestic production, but is the entire domestic production itself, thereby complying with the domestic industry requirement under the law.

A.3 Importers and Exporters of Ceramic Tiles

Annexes "A" and "B" are the lists of top importers and exporters of ceramic tiles during the period of the investigation.

B. Role of the DTI under RA 8800 (The Safeguard Measures Act)

B.1 Examination of Evidence to Justify Initiation of Investigation

In establishing whether there is sufficient evidence to justify the initiation of the investigation, the Secretary relied on Section 6 paragraph 3 of RA 8800 and its IRRs. The said provision provides, *"the Secretary shall review the accuracy and adequacy of the evidence adduced in the petition to determine the existence of a prima facie case that will justify the initiation of a preliminary investigation within five (5) days from receipt of the petition."*

B.2 Documents Received/Gathered by DTI

On 20 June 2025, a consultation meeting was held with the representatives of the Petitioner, Ceramic Manufacturers Association, Inc. (CMAI). On 25 June 2025, BIS provided to CMAI the summary of key points to be included in the petition.

On 03 September 2025, DTI received the letter from Time Ceramics expressing their support to the petition of CMAI that influx of imported ceramic tiles is causing serious injury to the local ceramic tile manufacturing industry. On 03 September 2025, DTI requested for additional data and information to be included in the Petition.

On 19 September 2025, another consultation meeting was conducted to discuss the updates on the possible application of safeguard measures investigation. Also, CMAI which includes Mariwasa and Formosa submitted the updated petition.

II. THE PROCESS OF INITIATION OF INVESTIGATION

A. Acceptance of the Petition

In accepting the petition, the Secretary relied on the following provisions of the IRRs of RA 8800:

Rule 6.3 b. provides, *"the Secretary shall preliminary screen the application if the following conditions are met:*

- *i. The application is signed;*
- *ii. All relevant questions are answered or the reasons for the absence of information are given; and*
- iii. *The attachments to the application are complete".*

Rule 6.3 c. provides, *"failure to supply all the information sought in the application will lead to the non-acceptance thereof. The Secretary shall check the consistency of the information provided in the application against other information available to him. The Secretary shall clarify any unclear or ambiguous statement with the applicant".*

Rule 6.3 d. provides, *"as soon as the requirements are completed, the Secretary shall acknowledge in writing that he has already accepted a properly documented application. The date of the Secretary's letter shall be considered as day zero (0) of the five (5) calendar days within which he is required to determine whether there is sufficient evidence to justify the initiation of an investigation. The Secretary shall issue the letter as soon as practicable from his receipt of a properly documented application. If the applicant decides to give the Secretary further information in support of an application, the five (5) day period herein mentioned shall commence from the date of the submission of the new information. After this period, the Secretary shall no longer entertain any information that may be provided by the applicant".*

On 29 January 2026, the Secretary officially informed CMAI, Mariwasa and Formosa that their Petitions have been accepted as a properly documented application.

B. Decision to Initiate

Rule 6.4 a. of the IRRs of RA 8800 provides that, *"the Secretary shall, within five (5) calendar days from the date of his letter of acceptance of the properly documented application referred to in Rule 6.3.d, examine the accuracy and adequacy of the evidence submitted to determine the existence of a prima facie case that will justify the initiation of a preliminary investigation. In assessing the sufficiency of evidence provided in the application, the Secretary shall satisfy himself that based on the documents available to him, he can determine that the increased imports of the product under consideration are the substantial cause of the serious injury or threat thereof to the domestic producers of the product under consideration".*

III. SAFEGUARD MEASURES: PARAMETERS FOR EVALUATION

A. The Concept and Purpose of Safeguards

Section 2 of RA 8800 provides that, *"the state shall promote the competitiveness of domestic industries and producers based on sound industrial and agricultural development policies, and the efficient use of human, natural and technical resources. In pursuit of this goal and in the public interest, the state shall provide safeguard measures to protect domestic industries and producers from increased imports which cause or threaten to cause serious injury to those domestic industries and producers."*

B. Relevant Provisions on Initiation of Investigation

Section 6 paragraphs 1 and 2 of RA 8800 states that, *"any person, whether natural or juridical, belonging to or representing a domestic industry may file with the Secretary a verified petition requesting that action be taken to remedy the serious injury or prevent the threat thereof to the domestic industry caused by increased imports of the product under consideration.*

The petition shall include documentary evidence supporting the facts that are essential to establish:

(1) an increase in imports of like or directly competitive products;
(2) the existence of serious injury or threat thereof to the domestic industry; and
(3) the causal link between the increased imports of the product under consideration and the serious injury or threat thereof".

Rule 6.2 a. of the IRRs of RA 8800 further provides that, *"any person whether natural or juridical, belonging to or representing a domestic industry, may file a written application using a proforma protestant's questionnaire which shall include evidence of (i) an increase in the volume of imports of the like or directly competitive products, (ii) the existence of serious injury or threat thereof to the domestic industry; and (iii) a causal link between the increased imports of the product under consideration and the serious injury or threat thereof. The applicant shall submit four (4) copies of the application, including annexes, two (2) copies of which shall contain the non-confidential summaries of the information submitted".*

IV. THE EVIDENCE PRESENTED BY THE INDUSTRY

A. The Product Subject of the Petition

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".*

Section 4 (e) of RA 8800 further provides, *"directly competitive product shall mean domestically produced substitutable products".*

A comparison of the imported ceramic tiles with the locally produced ceramic tiles are required to determine if these are like or directly competitive products.

A.1 Domestic Product

Ceramic tiles are thin slabs made from clays and/or other inorganic raw materials, generally used as coverings for floors and walls; usually shaped by extruding or pressing at room temperature but may be formed by other processes; then dried and subsequently fired at temperatures sufficient to develop the required properties. Tiles can be glazed or unglazed and are incombustible and unaffected by light. Product Standard: PNS ISO 13006:2019 Ceramic tiles- Definition, classification, characteristics and markings.

Sizes produced are catered to market demand notably: 600mm x 1200mm, 600mm x 600mm, 300mm x 300mm, 400mm x 400mm, 300mm x 600mm, 250mm x 250mm.

A.1.1 Uses and Applications

The domestic industry produces ceramic floor and wall tiles. These ceramic tiles are used as outdoor and indoor floor and wall coverings in private dwellings, commercial and industrial buildings, and urban facilities, among others.

A.1.2 Manufacturing Process

The production process of ceramic tiles consists of seven stages: body preparation, press and drying, glazing, firing, sorting, finishing and packaging and warehousing.

A.1.3 Raw Materials

- Clay
- Silica
- Feldspar
- Other Materials

2. Distribution Channel

x x x

A.2 Imported Product

A.2.1 Product Description under the Tariff and Customs Code 6907.

Heading No.
6907 Ceramic flags and paving, hearth or wall tiles; ceramic mosaic cubes and the like, whether or not on a backing; finishing ceramic

2022 AHTN Code	Description
6907.22	- - Of a water absorption coefficient by weight exceeding 0.5 % but not exceeding 10 % : - - - Having a largest face of which is capable of being enclosed in a square the side of which is less than 7 cm :
6907.22.11	- - - - Paving, hearth or wall tiles, unglazed
6907.22.12	- - - - Other, unglazed
6907.22.13	- - - - Paving, hearth or wall tiles, glazed
6907.22.14	- - - - Other, glazed - - - Other :
6907.22.91	- - - - Paving, hearth or wall tiles, unglazed
6907.22.92	- - - - Other, unglazed
6907.22.93	- - - - Paving, hearth or wall tiles, glazed
ex1 6907.22.93	Plain tiles
ex2 6907.22.93	Other
6907.22.94	- - - - Other, glazed
ex1 6907.22.94	Plain tiles
ex2 6907.22.94	Other

2022 AHTN Code	Description
6907.23	- - Of a water absorption coefficient by weight exceeding 10 % : - - - Having a largest face of which is capable of being enclosed in a square the side of which is less than 7 cm :
6907.23.11	- - - - Paving, hearth or wall tiles, unglazed
6907.23.12	- - - - Other, unglazed
6907.23.13	- - - - Paving, hearth or wall tiles, glazed
6907.23.14	- - - - Other, glazed - - - Other :
6907.23.91	- - - - Paving, hearth or wall tiles, unglazed
6907.23.92	- - - - Other, unglazed
6907.23.93	- - - - Paving, hearth or wall tiles, glazed
ex1 6907.23.93	Plain tiles
ex2 6907.23.93	Other
6907.23.94	- - - - Other, glazed
ex1 6907.23.94	Plain tiles
ex2 6907.23.94	Other

Source: Tariff Commission (Tariff Administration and Policy including AHTN 2022 Edition)

A.2.2 Tariff Schedule of Ceramic Tiles

AHTN 2022 Code	MFN	AANZFTA	ACFTA	AIFTA	AJCEPA	AKFTA	ATIGA	PJEPA	AHKFTA	WTO Bound Rate
6907.22.11	10	0	0	0	0	0	0	0	2	U
6907.22.12	10	0	0	0	0	0	0	0	2	U
6907.23.11	10	0	0	0	0	0	0	0	2	U
6907.23.12	10	0	0	0	0	0	0	0	2	U

AHTN 2022 Code	MFN	AANZFTA	ACFTA	AIFTA	AJCEPA	AKFTA	ATIGA	PJEPA	AHKFTA	WTO Bound Rate
6907.22.13	10	0	0	5	0	0	0	0	2	U
6907.22.14	10	0	0	5	0	0	0	0	2	U
6907.23.13	10	0	0	5	0	0	0	0	2	U
6907.23.14	10	0	0	5	0	0	0	0	2	U

AHTN 2022 Code	MFN	AANZFTA	ACFTA	AIFTA	AJCEPA	AKFTA	ATIGA	PJEPA	AHKFTA	WTO Bound Rate
6907.22.91	10	0	0	5	0	5	0	0	2	U
6907.22.92	10	0	0	5	0	5	0	0	2	U
ex1 6907.22.93	10	0	0	5	0	5	0	0	2	U
ex1 6907.22.94	10	0	0	5	0	5	0	0	2	U
6907.23.91	10	0	0	5	0	5	0	0	2	U
6907.23.92	10	0	0	5	0	5	0	0	2	U
ex1 6907.23.93	10	0	0	5	0	5	0	0	2	U
ex1 6907.23.94	10	0	0	5	0	5	0	0	2	U

AHTN 2022 Code	MFN	AANZFTA	ACFTA	AIFTA	AJCEPA	AKFTA	ATIGA	PJEPA	AHKFTA	WTO Bound Rate
ex2 6907.22.93	10	0	0	5	0	5	0	0	0	U
ex2 6907.22.94	10	0	0	5	0	5	0	0	0	U
ex2 6907.23.93	10	0	0	5	0	5	0	0	0	U
ex2 6907.23.94	10	0	0	5	0	5	0	0	0	U

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

AHTN	ASEAN Harmonized Tariff Nomenclature
MFN	Most Favored Nation
ATIGA	ASEAN Trade in Goods Agreement
AIFTA	ASEAN-India Free Trade Area
ACFTA	ASEAN-China Free Trade Area
AJCEP	ASEAN-Japan Comprehensive Economic Partnership
AHKFTA	ASEAN-Hong Kong, China Free Trade Area
AKFTA	ASEAN-Korea Free Trade Area
AANZFTA	ASEAN-Australia-New Zealand Free Trade Area

B. Comparison between Imported and Domestic Product

Locally produced ceramic tiles are like with the imported ones because of the subsequent characteristics:

i. Fall under the same tariff classification
ii. Same end use and applications
iii. Made from same raw materials
iv. Use similar methods of production and processes

The tariff heading, appearance, physical characteristics, end-use, general manufacturing process and raw materials of ceramic tiles produced by Philippine producers are the same as the imported ceramic tiles.

C. Period of Investigation

The POI covers imports of ceramic tiles from 2020 to 2024 and updated to first quarter of 2025. The domestic ceramic tile industry's overall performance during the POI is also evaluated to establish whether the increased imports are the substantial cause of the serious injury to the domestic industry.

D. Determination of Increased Volume of Imports

Rule 7.2. a. of the IRRs of RA 8800 provides that "*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.*"

D.1 Volume of Imports

The DTI-BIS conducted an evaluation to determine whether the subject product has been imported in increased quantities either in absolute terms or relative to domestic production and or under such conditions as to cause, or threaten to cause, serious injury to the local ceramic tile industry during the five (5) year period covered. The period of investigation (POI) covered the importation of ceramic tiles that entered the Philippine market from 2020 to first quarter of 2025. Import volume data in absolute terms were updated to July 2025.

All import data were sourced from the Bureau of Customs.

D.1.1 Absolute Terms - Import Volume – Ceramic Tiles

Table 1: Import Volume of Ceramic Tiles (2020– July 2025) in MT

Year	2020	2021	2022	2023	2024	2025 (Jan- July)
Import	439,898	674,667	797,725	566,228	559,500	394,500
Increase/(Decrease)	-	234,769	123,059	(231.497)	(6,728)	-
Growth Rate (%)	-	53%	18%	(29%)	(1%)	-

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

Over the period 2020 and 2024, imports of ceramic tiles exhibited a fluctuating trend. In 2020, volume of imports was recorded at 439,898 MT in 2020 which rose sharply to 797,725 MT by 2022, reflecting a cumulative growth of 81% over the two (2) years. However, in 2023, imports decreased by 29% and remained nearly flat in 2024. Despite the drop after 2022, the 2024 import volume is still 27% higher than in 2020. The most recent data available (Jan to July 2025), indicates that imports into the Philippines reached around 394,500MT or 71% of the 2021 level.

1.2. Share of Imports (by Country) of Ceramic Tiles

The People's Republic of China (PROC) accounted for 71% of all ceramic tiles imported into the Philippines, making it the country's largest supplier of ceramic tiles during the POI. Indonesia and Viet Nam followed with 14% and 10% shares respectively, while all other sources combined accounted for only 5%.

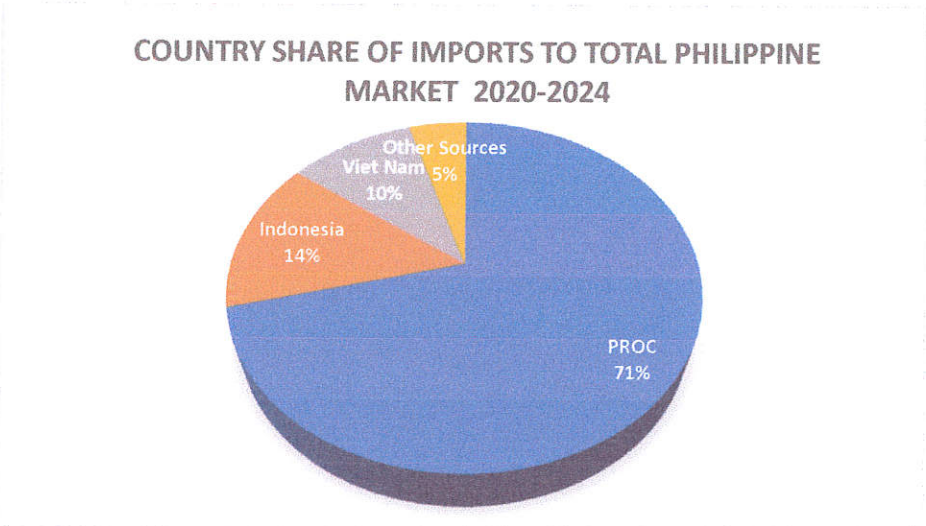


Table 2: Import Volume of Ceramic Tiles Per Country (2020– 2024) in MT

Country	2020	% Share	2021	% Share	2022	% Share	2023	% Share	2024	% Share	Total 2020-2024	% Share
PROC	293,748	66.78%	520,768	77.19%	574,266	71.99%	387,692	68.47%	379,355	67.80%	2,155,829	70.96%
Indonesia	79,548	18.08%	76,448	11.33%	112,271	14.07%	72,214	12.75%	89,255	15.95%	429,736	14.15%
Viet Nam	45,274	10.29%	49,246	7.30%	81,911	10.27%	62,025	10.95%	**72,569**	**12.97%**	**311,025**	**10.24%**
Major Sources	*418,569*	*95.15%*	*646,462*	*95.82%*	*768,448*	*96.33%*	*521,931*	*92.18%*	*541,179*	*96.73%*	*2,896,590*	*95.34%*
Other Sources	*21,328*	*4.85%*	*28,204*	*4.18%*	*29,277*	*3.67%*	*44,297*	*7.82%*	*18,321*	*3.27%*	*141,428*	*4.66%*
TOTAL IMPORTS	439,898	100%	674,667	100%	797,725	100%	566,228	100%	559,500	100%	3,038,018	100%

Source: Bureau of Customs, (BOC-SAD)

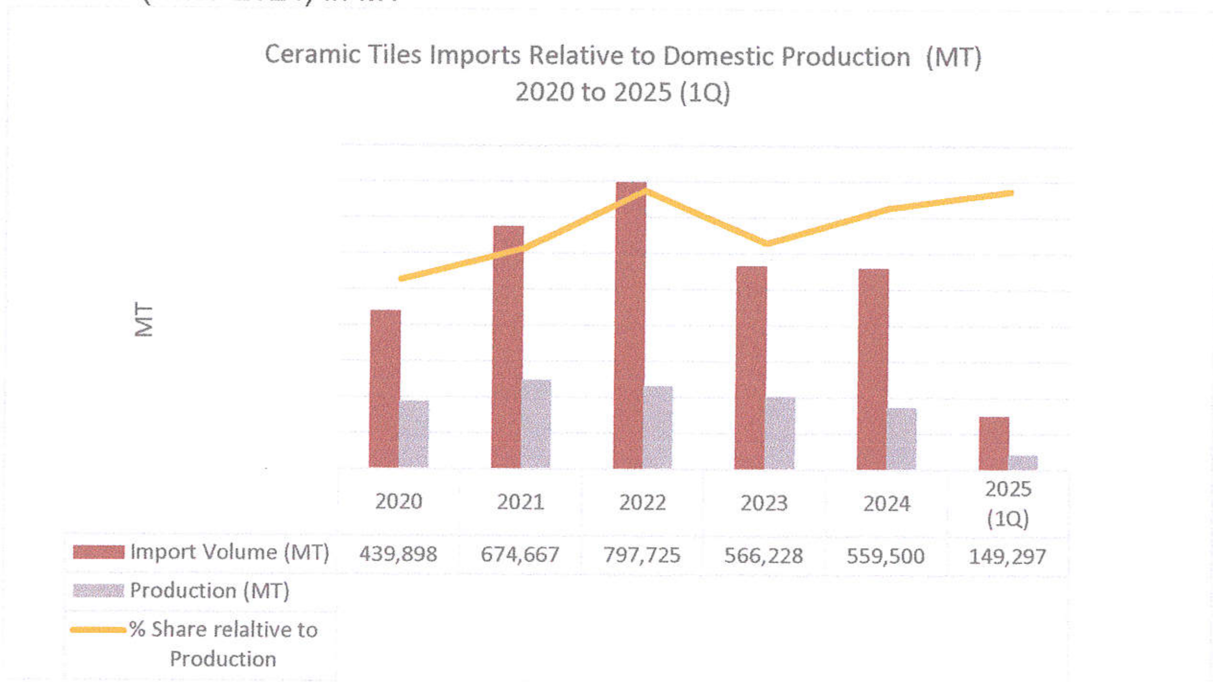
Other Sources:

Other sources include Australia, Brazil, Chinese Taipei, Germany, Hongkong, India, Italy, Japan, Malaysia, Portugal, South Korea, Singapore, Spain, Thailand, Türkiye, UAE and USA.

D.2. Relative Terms

D.2.1 Ceramic Tiles

Table 3: Comparison of Volume of Imports to Domestic Production of Ceramic Tiles (2020-2024) in MT



Sources: Import Volume - Bureau of Customs (BOC-SAD)
Domestic Production - Domestic Industry

During the period 2020 to 2024, the share of imports consistently exceeded domestic production by more than double. In 2020, import's share relative to domestic production was approximately 235%, rose sharply in 2021 and reached its peak in 2022. This indicates that imports grew much faster than local production during this period. Although imports declined after 2022, the ratio of import to production remained high in 2023 and continued to increase in 2024.

In 2025 (1Q), share of imports relative to domestic production was about three (3) times higher than local output.

In view of the above, there was a recent, sudden, and sharp increase in imports relative to domestic production.

D.3 Top 10 Importers and Exporters of Ceramic Tiles

D.3.1 Top 10 Importers of Ceramic Tiles

Table 4: Top 10 Importers of Ceramic Tiles (2020– 2024) in MT

NO.	IMPORTER	2020	2021	2022	2023	2024	Total 2020- 2024	% Share
1	CITIHARDWARE BACOLOD INC.	106,477	148,443	185,013	105,452	134,977	680,361	22.39%
2	DECO ARTS MARKETING INC.	109,188	100,222	161,409	100,327	130,642	601,789	19.81%
3	WILCON DEPOT, INC.	5,882	111,324	126,079	134,949	80,262	458,495	15.09%
4	CEBU OVERSEA HARDWARE CO., INC	44,671	109,337	103,679	70,497	67,440	395,623	13.02%
5	LUSTERPLUS, INC.	36,390	59,468	63,260	48,620	43,553	251,291	8.27%
6	DRAGONTILE HARDWARE TRADING	27,906	60,531	39,775	31,549	15,221	174,982	5.76%
7	DGAC CONSTRUCTION MATERIALS TRADING		11,687	27,870	18,737	13,521	71,815	2.36%
8	ARTEMISIA CORPORATION	3,043	13,964	12,432	9,960	7,906	47,305	1.56%
9	GJJ HARDWARE TRADING		8,859	19,948	5,411	2,000	6,218	1.19%
10	DWELLSTONE INC.		8,252	9,188	5,133	2,438	25,010	0.82%
Total: Top 10 Importers		***333,557***	***632,085***	***748,653***	***530,636***	***497,960***	***2,742,890***	90.29%
Other Importers		***106,341***	***42,582***	***49,072***	***35,592***	***61,541***	***295,128***	9.71%
Grand Total:		***439,898***	***674,667***	***797,725***	***566,228***	***559,500***	***3,038,018***	**100.00%**

Source: Bureau of Customs (BOC-SAD) – Import Volume

D.3.2 Top 10 Exporters of Ceramic Tiles

Table 5: Top 10 Exporters of Ceramic Tiles (2020– 2024) in MT

NO.	COO	EXPORTER	2020	2021	2022	2023	2024	Grand Total	% Share
1	PROC	XIAMEN CEREROCK IMP. & EXP. CO., LTD.	60,369	100,589	110,311	62,584	82,884	416,737	13.72%
2	PROC	XIAMEN HOLYLUCK SUPPLY CHAIN CO., LTD.	27,715	88,322	95,688	71,454	49,216	332,395	10.94%
3	Indonesia	P.T. KERAMIK DIAMOND IDUSTRIES	51,932	46,903	74,375	49,281	61,308	283,799	9.34%
4	PROC	FUZHOU LONG HENG IMP & EXP CO., LTD.	40,386	53,784	71,623	41,441	53,473	260,708	8.58%
5	PROC	XIAMEN LUCKYMARK IMP. & EXP.CO., LTD.	21,169	34,583	59,403	37,610	35,365	188,130	6.19%
6	PROC	FOSHAN DI XI TRADING LIMITED	16,592	45,806	55,608	34,366	26,948	179,320	5.90%
7	PROC	FUZHOU BAOHUA IMPORT&EXPORT CO., LTD.	22,672	43,337	34,463	9,410	8,023	117,905	3.88%
8	PROC	FC XIAMEN CO., LTD.	21,131	37,473	16,289	20,970	16,094	111,957	3.69%
9	Indonesia	P.T. PLATINUM CERAMIC INDUSTRY	19,542	18,755	27,482	12,964	13,761	92,505	3.04%
10	Viet Nam	BACH TANH CERAMIC CO., LTD.	19,523	9,998	16,212	10,516	11,396	67,645	2.23%
		Total Top 10 Exporters	**301,032**	**479,550**	**561,452**	**350,597**	**358,469**	**2,051,100**	67.51%
		Other Exporters	**138,866**	**195,117**	**236,273**	**215,631**	**201,031**	**986,918**	32.49%
		Grand Total	**439,898**	**674,667**	**797,725**	**566,228**	**559,500**	**3,038,018**	100%

Source: Bureau of Customs (BOC-SAD) – Import Volume

V. EVIDENCE 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 also provides that, *"a 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. Share of the Domestic Industry

Market Size and Share

Table 6: Total Apparent Philippine Market (in MT)

Year	Imports	Domestic Sales*	Total Philippine Market*	Market Share	
				Domestic Share	Imports
2020	439,898	100	100	x x x	x x x
2021	674,667	126	145	x x x	x x x
2022	797,725	121	162	x x x	x x x
2023	566,228	102	120	x x x	x x x
2024	559,500	85	114	x x x	x x x
2025 (Q1)	149,297	12	27	x x x	x x x

Sources: Bureau of Customs (BOC-SAD) – Import Volume
Domestic Industry – Domestic Sales Volume
*Figures indexed due to confidentiality

The total apparent Philippine market grew significantly from 2020 to 2022, reaching its highest point at over 1 million MT in 2022. However, starting in 2023, the market began to shrink and continued to decline in 2024.

The market share of the domestic industry steadily declined in 2020 to 2024 while imports increased their share over the same period. Market conditions in the first quarter of 2025 indicate a strong reliance on imports, with domestic industry contributing only marginally to total supply. Even as the total market contracted after 2022, import dominance remained strong. The domestic ceramic tiles industry has been unable to compete with imports, resulting in a faster contraction of its market share.

B. Sales, Production, Ending Inventory and Capacity Utilization

B.1 Domestic Sales

Table 7: Domestic Sales Volume and Value

Year	Sales Volume (MT)*	% Increase (Decrease)	Sales Value (Php Million)*	% Increase (Decrease)
2020	100	-	100	-
2021	126	26.25	130	29.94
2022	121	(4.22)	136	4.49
2023	102	(15.49)	117	(14.00)
2024	85	(16.76)	105	(10.36)
2025 (Q1)	12	-	14	-

Source: Domestic Industry
*Figures indexed due to confidentiality

The industry's domestic sales volume and value increased by 26% and 30%, respectively in 2021. However, sales volume declined year-on-year from 2022 to 2024 by 4%, 16% and 17%, respectively. Sales value slightly increased by 5% in 2022 and followed a decline by 14% in 2023 and further by 10% in 2024.

According to the domestic industry, construction activity surged when lockdowns were lifted in 2021 as companies rushed to complete projects stalled in the previous year, contributing to economic recovery. However, lower retail price of imported tiles resulted to decline in sales and losses for local manufacturing.

B.2. Export Sales

Table 8: Export Sales Volume and Value

Year	Sales Volume (MT)*	% Increase (Decrease)	Sales Value (USD)*	% Increase (Decrease)
2020	100	-	100	-
2021	141	40.97	95	(5.34)
2022	77	(45.60)	86	(8.63)
2023	75	(2.47)	86	(0.99)
2024	75	0.27	83	(3.26)

Source: Domestic Industry
*Figures indexed due to confidentiality

The industry exported ceramic tiles during the POI. In 2021, export sales volume increased by 41% while there is a decline in export sales value by 5%. From 2022 to 2024, export sales volume and value are in a downward trend, never surpassing the highest level of export sales in 2021.

B.3 Production

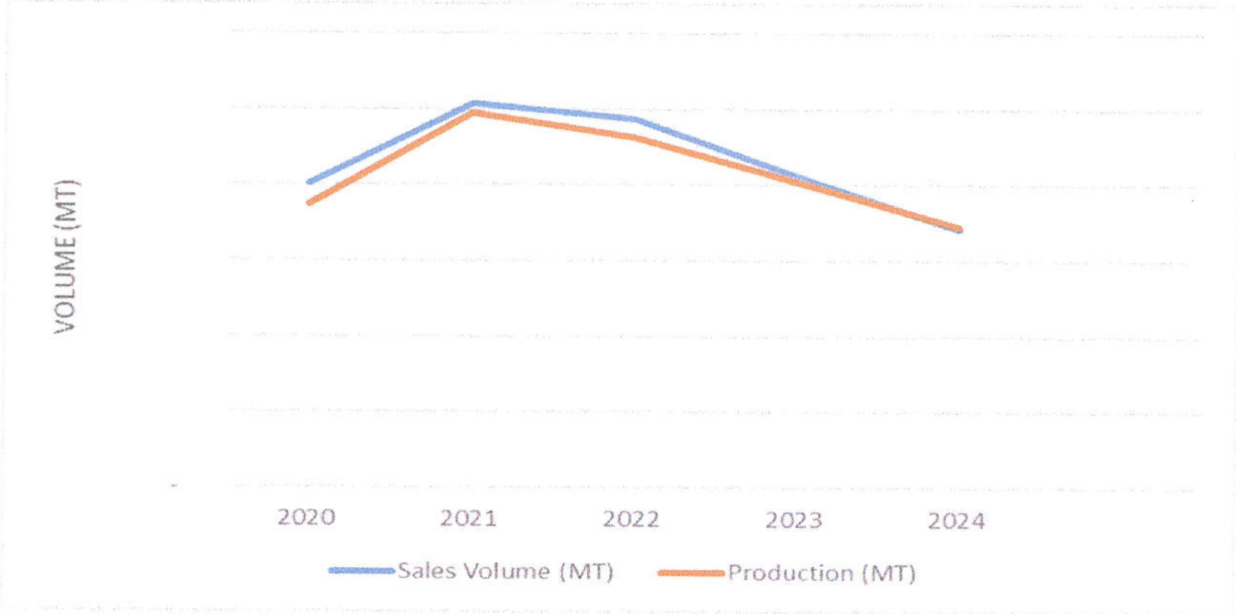
Table 9: Total Production

Year	2020	2021	2022	2023	2024	2025 (Q1)
Production (MT)*	100	132	123	108	92	23
% Increase (Decrease)	-	32.15	(6.55)	(12.55)	(14.65)	-

Source: Domestic Industry
*Figures indexed due to confidentiality

The industry's production volume followed the trend of the sales. Production volume increased by 32% in 2021, and began to decline year-on-year from 2022 to 2024 by 7%, 13%, and 15%, respectively.

Figure 1: Sales and Production Volume



The figure above shows that sales and production followed a similar trend with increase in 2021 and sustained declined from 2022 to 2024.

B.4 Finished Goods Inventory

Table 10: Finished Goods Inventory

Year	Inventory Value (Php)*	% Increase (Decrease)
2020	100	
2021	119	19.30
2022	130	9.36
2023	164	25.52
2024	173	5.76
2025 (Q1)	77	-

Source: Domestic Industry
*Figures indexed due to confidentiality

The finished goods inventory value increased year-on-year during the POI by 19% in 2021, 9% in 2022, 26% in 2023 and further by 6% in 2024.

B.5 Capacity Utilization

Table 11: Capacity Utilization

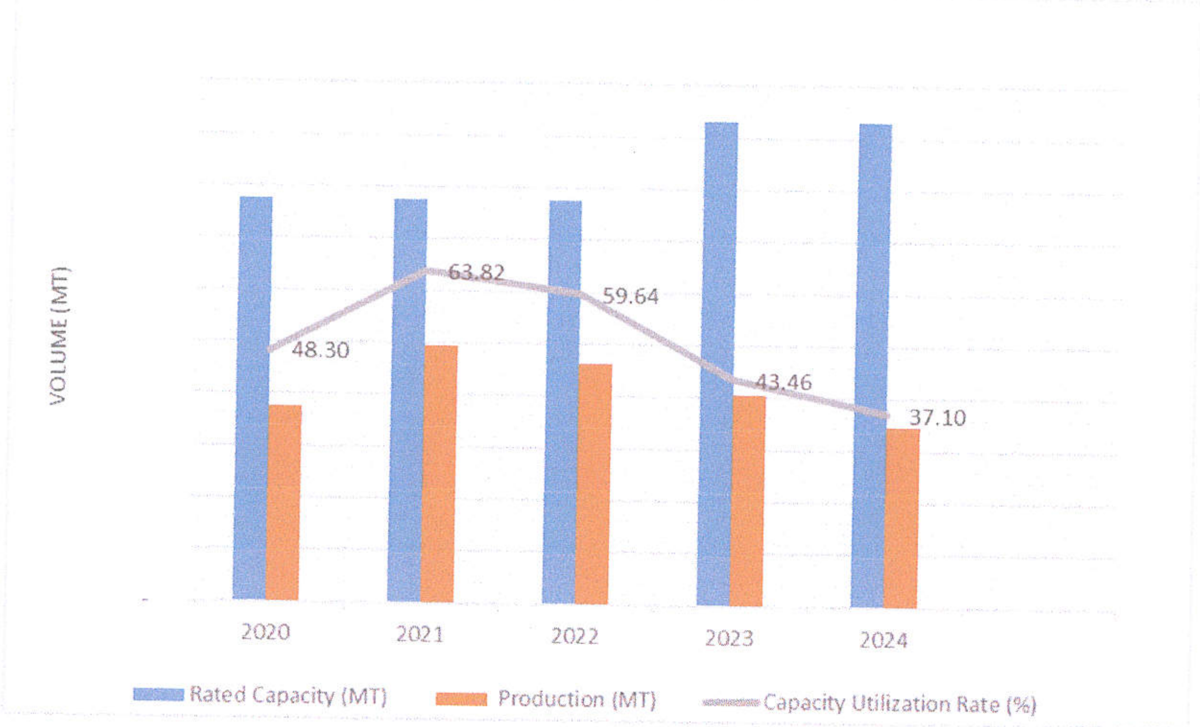
Year	Rated Capacity (MT)*	Production (MT)*	Capacity Utilization Rate (%)	% Increase (Decrease)
2020	100	100	48.30	-
2021	100	132	63.82	32.15
2022	100	123	59.64	(6.55)
2023	120	108	43.46	(27.13)
2024	120	92	37.10	(14.65)
2025 (Q1)	30	23	37.24	-

Source: Domestic Industry
*Figures indexed due to confidentiality

The industry's capacity utilization is highest in 2021 at 64% when the production level is at its highest. It declined by 7% in 2022 as production declined by the same rate. However, in 2022, a company added one new kiln with the expected recovery from the Covid pandemic, however, the increase in capacity was not fully utilized due to scaling down of production as a response to the presence of increased imports in the market. Capacity utilization further declined in 2023 by 27% and further declined by 15% in 2024. The volume falls short of achieving economies of scale, leading to highest per unit cost and diminishing global competitiveness.

In 2024, there was a construction of one kiln by a new industry player, and operation of the new kiln started in February 2025. According to the industry, more capacity will be added as construction is still ongoing. Moreover, the combined installed capacity as of 1st quarter of 2025 is very substantial as it could provide 90% of the market requirement.

Figure 2: Rated Capacity, Production and Capacity Utilization



The figure above shows that the capacity utilization is highest in 2021 but started to decline from 2022 to 2024.

C. Financial Performance/ Profitability

C.1 Profit and Loss

Table 12: Operating Profit (Loss) – M Php

Particulars	2020	2021	2022	2023	2024	2025 (Q1)	% Increase (Decrease) (2020 vs.2021)	% Increase (Decrease) (2021 vs.2022)	% Increase (Decrease) (2022 vs.2023)	% Increase (Decrease) (2023 vs.2024)
Sales*	100	130	136	117	105	14	29.94	4.49	(14.00)	(10.36)
Cost of Goods Sold*	100	115	129	111	102	14	14.93	11.89	(13.42)	(7.96)
Gross Profit*	100	203	171	143	115	12	102.57	(15.83)	(16.11)	(19.36)
Selling, General and Administrative Expenses*	100	133	154	162	165	14	32.88	15.91	4.95	2.08
Operating Profit*	**100**	**1089**	**380**	**(93)**	**(516)**	**(11)**	**988.99**	**(65.08)**	**(124.57)**	**452.39**

Source: Domestic Industry

*Figures indexed due to confidentiality

The industry's gross profit increased in 2021 by 103% which indicated recovery from the Covid pandemic. However, gross profit declined year-on-year from 2022 to 2024 by 16% in 2022, 16% in 2023 and further down by 19% in 2024.

The selling, general and administrative expenses posted an increasing trend during the POI with an increase of 33% in 2021, 16% in 2022, 5% in 2023 and further by 2% in 2024.

In 2021, the operating profit recorded its highest which is a notable increase of 10 times from the operating profit in 2020. However, the operating profit declined in 2022 by 65% and further by 123% in 2023, recording its first operating loss. Operating loss further increased by 452% in 2024, almost 6 times the operating loss in 2023.

According to the domestic industry, construction activity surged when lockdowns were lifted in 2021 as companies rushed to complete projects stalled in the previous year, contributing to economic recovery. However, the glut of importation caused industry members' sales to decline in 2023 and 2024, forcing companies to scale down production below economic viability. As a result, some manufacturers suffered financial losses, prompting reductions in manpower and working capital. In addition, competition of imported cheap tiles was severe during the POI. Due to huge increase in prices of oil and gas, wages and raw materials, as well as interest rates, prices have to be increased to recover cost.

C.2 Return on Sales

Table 13: Return on Sales

Particulars	2020	2021	2022	2023	2024	2025 (Q1)
Sales (Million)*	100	130	136	117	105	14
Operating Profit (Million)	100	1089	380	(93)	(516)	(11)
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 showed the highest in 2021. ROS decreased in 2022. In 2023 and 2024, there is a loss on sales.

D. Employment and Labor Productivity

D.1 Employment

Table 14: Employment

Year	Employees for Production*	% Increase (Decrease)
2020	100	-
2021	93	(7.42)
2022	90	(2.54)
2023	85	(6.16)
2024	75	(11.97)
2025 (Q1)	75	-

Source: Domestic Industry
*Figures indexed due to confidentiality

Employment declined year-on- year throughout the POI. In 2021, employment declined by 7%, further declined by 3% in 2022, 6% in 2023 and further declined by 12% in 2024, recording the lowest employment level during the POI.

D.2 Productivity

Table 15: Labor Productivity

Year	Production Volume (MT)*	Employees for Production*	Labor Productivity (MT/employees)*	% Increase (Decrease)
2020	100	100	**100**	-
2021	132	93	**143**	42.73
2022	123	90	**137**	
2023	108	85	**127**	(6.81)
2024	92	75	**123**	(3.04)
2025(Q1)	23	75	**31**	-

Source: Domestic Industry
*Figures indexed due to confidentiality

The labor productivity increased in 2021 by 43% since achieving the highest production level while employment decreased. From 2022 to 2024, labor productivity declined year-on-year by 4%, 7% and further by 3% as both employment and production declined.

According to the industry, the number of workers declined due to declining capacity usage. The industry has to increase the productivity of each employees to cope up with rising wages imposed by the government.

E. Price Effects

E.1 Cost to Produce

Table 16: Cost to Produce per MT

Particulars	2020	2021	2022	2023	2024
Raw Materials*	100	93	104	117	117
Direct Labor*	100	101	109	91	101
Manufacturing Overhead Cost*	100	95	113	109	112
Total Mfg cost (Php/MT)*	**100**	**94**	**109**	**111**	**114**
% Increase (Decrease)		**(5.61)**	**15.88**	**1.82**	**2.08**

Source: Basic data from the Domestic Industry
*Figures indexed due to confidentiality

The industry's production cost per unit declined in 2021 by 6%, however, production cost per MT increased year-on-year from 2022 to 2024 by 16% in 2022, 2% in 2023 and further by 2% in 2024.

The major raw material of ceramic tiles is locally produced clay, while the other components such as the glaze and ink are both imported.

The industry's manufacturing overhead which represents more than half of the manufacturing cost primarily includes energy cost, factory overhead and depreciation, among others. According to the industry, production volume falls short of achieving economies of scale, leading to higher per unit cost. Contrary to the declining cost in 2021 when sales and production is at highest level, the year-on-year increase from 2022 to 2024 in production cost showed the effect of increasing the manufacturing overhead cost per unit when production volume declined.

E.2 Price Undercutting

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

In 2024, no price undercutting was recorded, however, in 2025 (January to March), undercutting was recorded from Indonesia at 9.91%, Italy at 4.10% and Thailand at 34.76%.

E.3 Price Depression

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

During the period of investigation, no price depression was recorded on the local ceramic tile industry.

E.4 Price Suppression

Price suppression refers to the extent by 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.

During the period of investigation, no price suppression was recorded on the local ceramic tile industry.

L. Other Adverse Effects

Cash flow. The level of current assets ratio to current liabilities stands at 1.9 way below the healthy level of 3:1. The cash level maintained is less than 30 days not enough to cover liabilities specially with regular requirement of investment in new machines.

Employment. Number of production workers declined in 2024 or 26% when compared to 2020 due to declining capacity usage. Members have to increase the productivity of each employee to cope up with rising wages imposed by the government.

Wages. Wages last 2024 went up by 3.3% compared to 2020 despite the decline in manpower by 26% because of wage increases imposed by the government.

Growth. Domestic manufacturers share of the market declined by 4% from 14% in 2020 to 10% in 2024 while in terms of volume it is down compared to 2020.

Ability to raise capital. Banks are now wary of lending money to businesses involved in the property and construction sector and in may cases in the interest rate charged for the borrowing is at the high side with business exposure involved in a low profitability and high debt.

Investment. Major investments were made in 2022 and 2023 to modernize production capability and upgrade to new technology once Covid restrictions were lifted, members were banking on recovery which did not happen due to various headwinds.

VI. FINDINGS AND CONCLUSIONS

A. Volume of Imports

A.1 In Absolute Terms

- Imports increased significantly during the POI. From 2020 to 2023, imports rose from 439,898MT to 797,725MT, reflecting a cumulative growth of 81% over the two (2) years.
- Despite the decline after 2022, imports in 2023 and 2024 remained 29% and 27% higher, respectively, than in 2020 level. In 2025 (Jan to July), imports were 71% of 2024 level
- Viet Nam, Indonesia, and PROC are the biggest suppliers during the POI
- Over the period 2020 to 2024, PROC accounted for 71% of total Philippine imports, followed by Indonesia (14%) and Viet Nam (10%)

A.2 In Relative Terms

- Share of imports represented a significant share proportionate to domestic production during the POI i.e. from 235% in 2020 to 324% in 2024
- In 2025 (1Q), share of imports relative to domestic production was 344% or about three (3) times higher than local output.

B. Serious Injury

B.1. Market Size and Share

- Total Philippine market reached its peak in 2022, but contracted by 26% in 2023 and further by 5% in 2024.
- Market share of the domestic industry steadily declined from approximately 30% in 2020 to approximately 20% in 2024 while imports increased their share over the same period i.e. from almost 70% in 2020 to almost 80% in 2024.
- In the first quarter of 2025, imports captured 86% of the total Philippine market compared with only 14% from domestic industry.
- Even as the total market contracted after 2022, import dominance remained strong. The domestic ceramic tiles industry has been unable to compete with imports, resulting in a faster contraction of its market share.

B.2. Domestic Sales Volume and Value

- Sales volume increased by 26% and 30%, respectively in 2021. However, sales volume declined year-on-year by 4%, 16% and 17% from 2022 to 2024. Sales value slightly increased by 5% in 2022 and followed a decline by 14% in 2023 and further by 10% in 2024.

B.3 Production

a. Total Production

- Production volume increased by 32% in 2021, and began to decline year-on-year from 2022 to 2024 by 7%, 13%, and 15%, respectively.

b. Capacity Utilization

- The industry's capacity utilization is highest in 2021 at 64% when the production level is at its highest. It declined by 7% in 2022 as production declined by the same rate.
- In 2022, a company added one new kiln with the expected recovery from the Covid pandemic.
- Capacity utilization further declined in 2023 by 27% and further declined by 15% in 2024.

c. Inventories

- The finished goods inventory value increased year-on-year during the POI by 19% in 2021, 9% in 2022, 26% in 2023 and further by 6% in 2024.

d. Cost to Produce

- The industry's production cost per unit declined in 2021 by 6%, however, production cost per MT increased year-on-year from 2022 to 2024 by 16% in 2022, 2% in 2023 and further by 2% in 2024.

B.4 Profitability

a. Profit and Loss

- The industry's gross profit increased in 2021 by 103% which indicated recovery from the Covid pandemic. However, gross profit declined year-on-year from 2022 to 2024 by 16% in 2022, 16% in 2023 and further down by 19% in 2024.
- The selling, general and administrative expenses posted an increasing trend during the POI with an increase of 33% in 2021, 16% in 2022, 5% in 2023 and further by 2% in 2024.
- In 2021, the operating profit recorded its highest which is a notable increase of 10 times the operating profit in 2020. However, the operating profit declined in 2022 by 65% and further by 123% in 2023, recording its first operating loss. Operating loss further increased by 452% in 2024, almost 6 times the operating loss in 2023.

b. Return on Sales

- Return on sales (ROS) based on operating profit showed the highest in 2021 ROS decreased in 2022. In 2023 and 2024, there is a loss on sales.

B.5 Employment

- Employment declined year-on- year throughout the POI. In 2021, employment declined by 7%, further declined by 3% in 2022, 6% in 2023 and further declined by 12% in 2024, recording the lowest employment level during the POI.

B.6 Productivity

- The labor productivity increased in 2021 by 43% since achieving the highest production level while decreasing employment. From 2022 to 2024, labor productivity declined year-on-year by 4%, 7% and further by 3% as both employment and production declined.

B.7 Prices

a. Price Undercutting

- Undercutting were recorded from Indonesia at 9.91%, Italy at 4.10% and Thailand at 34.76% in 2025 (January to March),

b. Price Depression

- There is no price depression during the POI.

c. Price Suppression

- There is no price suppression during the POI.

VII. CAUSATION

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

- There was an abrupt and notably sharp increase in the volume of imports in absolute terms and relative to domestic production from 2020 to 2024. Increased imports relative to production is recent, sudden, sharp and significant enough.
- Imports increased significantly during the POI. From 2020 to 2023, imports rose from 439,898MT to 797,725MT, reflecting a cumulative growth of 81% over the two (2) years. Despite the decline after 2022 imports, in 2023 and 2024 remained 29% and 27% higher, respectively, than in 2020 level.
- Market share of the domestic industry steadily declined from 31% in 2020 to 23% in 2024 while imports increased their share over the same period i.e. from 69% in 2020 to 77% in 2024.

- The industry suffered loss of market share, declining domestic sales, production, utilization rate, reduction in labor productivity, incurred losses and increase inventory.
- Inventory increased 58% from 2020 to 2024.

VIII. ADJUSTMENT PLAN

The domestic industry submitted its adjustment plan to undertake improvement to increase production capacity while also improving efficiency and cost of production.

I. Cost Saving Plan

Strategy	Action Plan	Expected Savings (%)
Increase Production Efficiency	- Increase Spray Dryer productivity, reduce biomass consumption through rehabilitation of Spray Dryer. - Reduce consumption glaze and engobe by develop new formula. - Reduce total waste.	2%
Reduce Energy Consumption	- Reduce cycle time, increase kiln efficiency - Optimize capacity of soal by replacing defective inverters.	1%

II. Investment Planning

Investment Area	Description	Year	Benefit
Manufacturing	- Reduce energy consumption by improve efficiency and increase capacity - Investment and centralized new air compressor -	2026-2027	- cost saving from energy, labor and activity cost saving
	- Improve line production for reduce set up time		
	- Investment automation machine for sorting	2026-2027	- Reduce labor cost and increase speed of sorting line
	- Investment new biomass gasifier	2028	- Reduce energy prices by using biomass to replace LPG, saving Php2 million per month
ERP System	- Investment warehouse management system	2026	- Reduce overstock and stockouts and better scheduling and resource allocation also faster order processing and delivery

IX. 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."*

The WTO Appellate Body in **Argentina – Footwear and Korea – Certain Dairy Products** established that safeguard measures may be applied only when the prerequisites of Article XIX of GATT 1994 and the conditions of the Agreement on Safeguards are clearly demonstrated.

The investigation is governed by RA 8800 (otherwise known as the Safeguard Measures Act), its Implementing Rules and Regulations, and the terms and conditions of the Agreement on Safeguards.

IX. a. Unforeseen Development

According to the Safeguard Global Report[6], Global manufacturing power remains concentrated. China and United States lead manufacturing output by a wide margin, contributing a combined 45% of global manufacturing production. global manufacturing output serves as a critical indicator of economic strength, reflecting the industrial activity of countries around the world. In 2024, China led the global manufacturing sector, producing $4.66 trillion worth of goods, or 27.7% of the world total. It was followed by the United States ($2.91 trillion, 17.3%), Japan ($867 billion, 5.15%), and Germany ($830 billion, 4.93%). These countries are home to some of the largest and most technologically advanced manufacturing industries globally. They combine skilled workforces, significant investment in research and development, and innovative production capabilities. As a result, they not only satisfy domestic demand but also play a vital role in global supply chains, exporting goods and services worldwide and reinforcing their positions as leaders in the global economy.

Channel News Asia published a commentary titled "China's overcapacity may become a Southeast Asia problem if Trump's tariffs materialize" [7]on 21 November 2024 written by Shay Wester, Director of Asian Economic Affairs. He said that the Donald Trump's return to the White House brings a significant shift in US trade policy, with his proposed sweeping tariffs threatening to trigger retaliation and raising the prospect of a global trade war. ASEAN economies could face short-term disruptions, with economists projecting that Trump's tariffs could cut regional growth by up to 0.5% in 2025. The Chinese exports that are shut out of the market need to go somewhere else. The sweeping US tariffs, while this might be good news for consumers in the short term, Southeast Asian manufacturers are already struggling with Chinese industrial overcapacity. If tariffs cut off access to

[6] https://www.safeguardglobal.com/resources/blog/top-10-manufacturing-countries-in-the-world/
[7]https://www.channelnewsasia.com/commentary/trump-tariffs-southeast-asia-cheap-china-goods-trade-4759326

American buyers, this challenge could deepen as subsidized Chinese imports flood Southeast Asia and other emerging markets.

As reported by the Ceramic Tiles Solution's Report on Overcapacity in China's Ceramic Tile Industry in 2026[8], the Chinese ceramic industry is facing significant challenges as overcapacity continues to weigh heavily on the market. According to statistics from the China Building and Sanitary Ceramics Association, the total ceramic tile production in 2024 reached 5.91 billion square meters, representing a 12.18% decline from 2023. By the end of 2024, the number of architectural ceramic production lines across the country had dropped to 2,193, compared to 2,485 in 2022, representing an exit rate of 11.75%.

With production capacity far outstripping demand, the industry's production-to-sales ratio stands at an estimated 48%, leaving 52% of capacity unused. This imbalance has prompted many ceramic enterprises to rethink their strategies, with some shifting away from building their factories and investing in production lines. Instead, they are turning to joint-operation factory models, seeking opportunities for collaboration with suitable partners.

IX. b. Notification Requirement

Article 12.1 of the WTO Agreement on Safeguards states 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;

IX. c. Article 11 of the ASEAN Trade in Goods Agreement (ATIGA)

Article 11 of the ATIGA provide provisions on the Notification 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 the 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."*

[8] https://chinaceramicstile.com/report-on-overcapacity-in-chinas-ceramic-tile-industry-in-2026/

X. RECOMMENDATIONS

Based on the above findings, there are indications that increased imports of ceramic tiles are the substantial cause of serious injury to the domestic industry in terms of loss of market share, declining domestic sales, utilization rate, reduction in labor productivity, incurred losses, and increased production cost.

Wherefore, premises considered, the Department, finds *prima facie* evidence to initiate and conduct a preliminary safeguard investigation to determine whether ceramic tiles are being imported into the Philippines in increased quantities and is causing serious injury to the domestic industry.

Let the notice of initiation of a preliminary safeguards investigation be published in two (2) newspapers of general circulation and individual notices be sent to all interested parties including the country members concerned.

SO ORDERED.

03 February 2026

MA. CRISTINA A. ROQUE
Secretary

ANNEX A

LIST OF EXPORTERS

	Exporter	
1	XIAMEN CERAROCK IMP. & EXP. CO., LTD.	China
2	XIAMEN HOLY LUCK SUPPLY CHAIN	China
3	PT KERAMIK DIAMOND INDUSTRIES	Indonesia
4	FUZHOU LONG HENG IMP & EXP CO LTD	China
5	XIAMEN LUCKYMARK IMP AND EXP CO LTD	China
6	FOSHAN DI XIN TRADING LIMITED	China
7	FC XIAMEN CO LTD	China
8	FUZHOU BAOHUA IMP & EXP CO LTD	China
9	PT PLATINUM CERAMICS INDUSTRY	Indonesia
10	BACH THANH CERAMIC CO LTD	Vietnam
11	TOP TILE JOINT STOCK COMPANY	Vietnam
12	AMY - ACT CO LTD	Vietnam
13	ROYAL CERAMIC TILES CO., LTD	Vietnam
14	FOSHAN OWS CERAMIC CO., LTD.	China
15	GUANGZHOU WANHUI TRADING CO LTD	China
16	TOP TILE CO LTD	Vietnam
17	DONGGUAN CITY SHUN GUANGHUA	China
18	GUANGZHOU QIYUN TRADING CO., LTD	China
19	ROYAL MANUFACTURE AND INVESTMENT	Vietnam
20	SHENZHEN SHENRUIXING TRADING CO LTD	China
21	PT KOBIN KERAMIK INDUSTRI	Indonesia
22	SKENN PORCELANATO PRIVATE LIMITED	India
23	NICE CERAMIC CO LTD	Vietnam
24	VITTO GROUP JSC	Vietnam
25	SWAR CERAMICHE	India
26	PT MULIAKERAMIK INDAHRAYA	Indonesia
27	SCG CERAMICS PUBLIC CO., LTD..	Thailand
28	SHENZHEN SHI HUAHENGXIANDA IMPORT & EXPORT CO., LTD CHINA	China
29	XIAMEN JUMBO IMPORT EXPORT CO., L	China
30	THE UNION MOSAIC INDUSTRY PUBLIC CO., LTD.	Thailand
31	FOSHAN JHD TRADE CO., LTD	China
32	FOSHAN KOTAHYA BUILDING MATERIALS	China
33	TOKO VIETNAM CO LTD	China
34	SHENZHEN XINBAILI	China
35	FOSHAN UNITED CO., LTD.	China
36	CONCOR INTERNATIONAL	India

37	FOSHAN YIMING IMP AND EXP CO., LTD	China
38	ANMOL CERAMIC	India
39	FOSHAN LEO IMP & EXP TRADING CO LTD	China
40	TOP TILES INTERNATIONAL (SHANDONG)	China
41	FOSHAN SUNDARE BLDG MATERIALS	China
42	ZIBO CERAMICS EXPORT SERVICE CO., LTD.	China
43	ITALAKE CERAMIC PVT LTD	India
44	GUANGZHOU W Q S INTERNATIONAL TRADI	China
45	FUZHOU SHONGBO TRADING CO LTD	China
46	DONGGUAN CHANGLI TRADING	China
47	DYNASTY CERAMIC PUBLIC CO LTD	Thailand
48	SHANGHAI XINCHENGXIN IMPORT AND EXP	China
49	FUJIAN OWNERZONE CERAMICS CO LTD	China
50	TONGLU XIAOJIA TRADING	China

LIST OF IMPORTERS

	Importer
1	CITIHARDWARE BACOLOD INC.
2	DECO ARTS MARKETING INC.
3	WILCON DEPOT INC
4	CEBU OVERSEA HARDWARE CO INC
5	LUSTERPLUS INC
6	DRAGONTILE HARDWARE TRADING
7	DGAC CONSTRUCTION MATERIALS TRADING
8	GJJ HARDWARE TRADING
9	ARTEMISIA CORPORATION
10	DWELLSTONE INC.
11	LOCUBAT CONSTRUCTION MATERIALS
12	THE TILEEXPO TRADING INC
13	MARMHEGIAN ENTERPRISES
14	IFIX ENTERPRISES
15	PETE INDUSTRIAL EQUIPMENT TRADING
16	WESTPOINT INDUSTRIAL SALES CO. INC.
17	GOLDEN GREAT VALUE PROPERTIES INC
18	GLOBE MASTER TRADING
19	WILLCOR CONSUMER GOODS TRADING
20	OUR TILES MARKETING
21	SEN + MEL GROUP INC
22	LOFTANDOAK INC.
23	WHITE HORSE CERAMIC PHILS. INC.
24	JGF TRADING
25	TKH MARKETING
26	DAFF SE HARDWARE TRADING
27	CHLOESTAR INTERNATIONAL OPC
28	ANGKALS CONSUMER GOODS TRADING

29	VCY SALES CORPORATION
30	CHI-PHIL GATEWAY ASIA PACIFIC
31	G LUNA WARES TRADING
32	DSG SONS GROUP INC.
33	BACK ALLEY HOUSEHOLD ARTICLES TRADI
34	HOMMSS TRADING CORPORATION
35	AMERICAN TECHNOLOGIES INC
36	DDIS INC.
37	ASDRT FURNITURE TRADING
38	GONZREY CONSUMER GOODS TRADING
39	GRR CONSUMER GOODS TRADING
40	JE SPECIALIZED GOODS TRADING
41	ATR HOUSEHOLD PRODUCTS TRADING
42	HOME SOLUTIONS DEPOT PLUS INC.
43	ROYAL STONE TRADING
44	SHERWIN AND SHERWIN WARES TRADING
45	ONIG HOUSEHOLD SUPPLIES TRADING
46	K-NETNONSPECIALIZEDWHOLESALETRADING
47	MEGAWORLD CORPORATION
48	C TOPEL CONSUMER GOODS TRADING
49	ADNIL HARDWARE TRADING
50	BESCO CLARK PHILIPPINES GROUP OF CO