

# **DEPARTMENT OF TRADE AND INDUSTRY**

**SAFEGUARD MEASURES CASE NAME:**

## **APPLICATION OF CORRUGATING MEDIUM INDUSTRY**

### **PUBLIC VERSION**

**SGM CASE NO. : SG01-2025**

**DATE : 01 August 2025**

**REPORT ON THE PRELIMINARY  
AFFIRMATIVE FINDINGS ON THE  
APPLICATION FOR SAFEGUARD MEASURES  
ON THE IMPORTATION OF CORRUGATING  
MEDIUM FROM VARIOUS COUNTRIES**

# REPORT ON THE PRELIMINARY AFFIRMATIVE FINDINGS ON THE APPLICATION FOR SAFEGUARD MEASURES ON THE IMPORTATION OF CORRUGATING MEDIUM FROM VARIOUS COUNTRIES

## I. 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 petition for the application of safeguard measures filed by the Corrugating Medium industry represented by The Pulp and Paper Manufacturers Association of the Phils. (PULPAPEL) and two (2) of its members, United Pulp and Paper Co., Inc. (UPPC) and Bataan 2020 Inc. The subject products are of corrugating medium which are classified under ASEAN Harmonized Tariff Nomenclature (AHTN) Codes 4805.19.10, 4805.19.90, and 4805.12.00.

This report addresses the issue whether the evidences 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 local industry.

### A. The Philippine Industry's Petition

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

Section 4 (f) of RA 8800 otherwise known as the Safeguard Measures Act (SMA), 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 of the Implementing Rules and Regulations (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"*.

PULPAPEL members manufacture packaging paper and paperboards - corrugating containerboards fluting medium and testliner, bag/wrapping papers, carton boards, graphic papers - printing and writing, newsprint, hygiene/disposable papers - toilet tissue, table napkins, and paper towels.

UPPC is a manufacturer of high-quality industrial grade paper used for corrugated packaging products. UPPC is a subsidiary of the Siam Cement Group Packaging (SCGP), the leading multinational consumer packaging solutions provider in South East Asia. UPPC's paper mill is located in Calumpit, Bulacan producing testliner board and corrugating medium for domestic and export markets. UPPC uses 100% reclaimed paper recovered from its network of baling stations nationwide to produce its products.

Bataan 2020, Inc. is a leading manufacturer of fine quality paper, board, and tissue in the Philippines. Bataan 2020, operates paper mills in Samal, Bataan, and in Baesa Quezon City. Bataan 2020 has been in the industry since 1956, starting with paper making and have grown to include businesses in renewable power generation, tissue converting, chemical, and block ice manufacturing.

On the basis of the foregoing, and considering that, PULPAPEL and its members (as represented by UPPC and Bataan 2020), are all producers/manufacturers of the like product here in the Philippines constituting a major proportion of the total production of the said products, it is clear that they are covered by the “domestic industry” definition under Section 4 (f) of RA 8800.

## A.2 Legal Standing

Under Section 6 of RA 8800, any person whether natural or juridical, belonging to or representing a domestic industry may file for a safeguard measures application, to wit:

“SECTION 6. Initiation of Action Involving General Safeguard Measure. — 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 above-cited provision clearly and expressly states that “any person whether natural or juridical, belonging to or representing a domestic industry, may file with the Secretary a verified petition.” Evidently, PULPAPEL, being a juridical entity, belonging to and part of the domestic industry, and having a material interest in the subject issue, falls under the said provision. Thus, it can and may file a verified petition.

Based on the application, there are eleven (11) members of PULPAPEL and four (4) non-members producing corrugating medium. Below is the share of the total domestic production of corrugating medium.

Company	Actual Production in MT	% Share to Total Domestic Production
<b>Petitioner</b>		
PULPAPEL	xxx	90
<b>Non-Member of PULPAPEL</b>	xxx	10
<b>TOTAL</b>	<b>xxx</b>	<b>100</b>

Source: PULPAPEL

The Table above shows that PULPAPEL meets the legal requirement to be considered a domestic industry, since PULPAPEL accounts for 90% share of the total domestic production and therefore, constitutes a major proportion of the total production of the concerned product.

### **A.3 Importers and Exporters of Corrugating Medium**

Annexes "A" and "B" are the lists of importers and exporters of corrugating medium 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 The Meaning of Preliminary Investigation in the Context of the Safeguard Measures Law**

In making a preliminary determination, Section 7 of RA 8800 states that:

*"Not later than thirty (30) days from receipt of the petition...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 the date of transmittal to the respondent or appropriate diplomatic representative of the country of exportation or origin of the imported product under consideration."*

Further, the law also provides:

*"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."*

Rule 7.1 of the IRR essentially restates the law to wit:

*"Not later than thirty (30) calendar days from receipt of the properly documented application xxx, the Secretary shall, on the basis of the petition, the answers of the respondents, and the respective supporting documents or information, 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."*



## **II. THE EVIDENCE PRESENTED BY THE INDUSTRY**

### **A. The Product Subject to 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 between the imported and the locally produced corrugating medium is required to determine if these are like or directly competitive products.

#### **A.1 Domestic Product**

Locally produced corrugating medium are made from 100% recycled paper. It is the fluted portion of the corrugated board placed in the middle of two liner boards which provides stacking strength and impact protection. There are various basis weights of corrugating medium produced and made available to the market to cater to different industries and specifications.

A corrugated board is made by conversion process in which three or more layers of paper (or board) are laminated together. The middle ply, which is called fluting medium or corrugating medium, is corrugated during the process and the outer layers, known as the linerboard, are glued to the peaks, thus making a liner-fluting-liner sandwich.

The imported product being considered in this petition is corrugating medium. Corrugating medium or Fluting medium, are converted into corrugated boxes which protect products from possible damage during shipment and storage.

These corrugated boxes are also designed for piling or stacking to withstand top and side pressure, and for crush resistance.

##### **A.1.1. Uses and Applications**

Locally produced corrugating medium, together with liner boards, are converted into corrugated boxes which protect products from possible damage during shipment and storage. These corrugated boxes are also designed for piling or stacking to withstand top and side pressure, and for crush resistance.

##### **A.1.2. Production Process**

The paper manufacturing and operation of corrugating medium and liner board consist of five stages: stock preparation, sheet formation, pressing, drying and rewinding.

### A.1.3 Distribution Channel

Corrugating mediums are sold directly to box-makers and converters in the form of paper rolls. Box makers and converters, in turn, manufacture the container boards into corrugated boxes. The corrugated boxes are sold to end-users such as consumer and food companies for their packaging use.

## A.2 Imported Product

### A.2.1 Product Description under the Tariff and Customs Code 4805.

Heading No.	2022 AHTN Code	Description
4805		Other uncoated paper and paperboard, in rolls or sheets, not further worked or processed than as specified in Note 3 to this Chapter
		- Fluting Paper
	4805.19.10	- - - Weighing more than 150 g/m <sup>2</sup> but less than 225 g/m <sup>2</sup>
	4805.19.90	- - - Other
	4805.12.00	- - Straw fluting paper

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

### A.2.2 Tariff Schedule of Corrugating Medium

AHTN	Description	2022 Rates of Duty (%)							
		MFN	ATIGA	AIFTA	ACFTA	AJCEPA	AHKFTA	AKFTA	AANZFTA
4805	Other uncoated paper and paperboard, in rolls or sheets, not further worked or processed than as specified in Note 3 to this Chapter								
	- Fluting Paper								
4805.19.10	- - - Weighing more than 150 g/m <sup>2</sup> but less than 225 g/m <sup>2</sup>	7	0	5	5	0	0	0	0
4805.19.90	- - - Other	7	0	5	5	0	7	0	0
4805.12.00	- - Straw fluting paper	7	0	5	7	0	7	0	0

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

### C. Comparison between Imported and Domestic Product

Locally produced corrugating mediums are directly competitive 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 corrugating medium produced by Philippine producers are the same as imported corrugating medium.

The only difference in corrugating medium produced by Philippine producers and imported corrugating medium is on the marketing/distribution system.

Corrugating medium by Philippine producers are sold directly to box-makers and converters. On the other hand, imported corrugating medium are distributed in the Philippines by local agents. These agents serve as middlemen between the exporters (foreign producers) and the importers (box-makers and converters). The box makers and converters convert the corrugating medium to corrugated boxes which are then sold to end-users.

## III. THE PROCESS OF PRELIMINARY INVESTIGATION

### A. Acceptance of the Petition and Decision for Preliminary Investigation

In accepting the petition of the Philippine corrugating medium industry, the Secretary was guided by Rule 6.4a of the IRRs of RA 8800 which 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."*

On 07 February 2025, the Secretary officially informed PULPAPEL, UPPC and Bataan 2020 that their petitions have been accepted as a properly documented application. On 11 February 2025, the Secretary issued a report on the initiation of the safeguard investigation.

## **A.1 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.”*

### **A.1.a Notice to Parties and Due Process**

On 13 February 2025, Notice of Initiation was published in Business Mirror and Manila Standard, 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.”*

From 14 to 19 February 2025, individual notices were sent to the domestic industry, the diplomatic or official representatives of the concerned governments of the identified exporting countries, importers, exporters and associations. The importers and exporters were 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.

DTI experienced delays in the transmittal of the notification to interested parties because of the difficulty in gathering the complete addresses. However, while the notices were delayed for reasons beyond DTI's control, respondents were not deprived of due process as they were granted extension of time to submit their views, comments, and the accomplished questionnaires which were all considered in the preliminary determination.

### **A.1.b. Submission of Evidence and Position Papers**

As provided under Rule 6.5b of the IRR:

*“The respondents are required to submit within five (5) working days from the receipt of such notice their responses 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.”*

### **A.1.c 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, consumer and industry associations were informed of the investigation and requested to submit comments/position.

#### **A.1.c.1 Exporters Responses to the Questionnaire**

Out of fifty-six (56) identified exporters, ten (10) submitted responses to the DTI Questionnaire. The following are the identified exporters that submitted responses to the Questionnaire:

##### **a) PT. Indah Kiat Pulp & Paper Tbk**

On 17 February 2025, DTI received the request of PT Indah Kiat Pulp & Paper Tbk for an extension to submit comments. The company was granted an extension until 28 February 2025. The initial comments were received on 19 February 2025. Additional comments were submitted on 28 February and 24 March 2025.

According to PT Indah Kiat Pulp & Paper Tbk, imports did not create as big a problem as made out by the domestic industry. In fact, the problem was created by their own financial over leveraging and the addition of a very large capacity in the domestic industry which did not require such a big addition. The domestic industry made an effort to export additional quantities, but additional costs led to a steep fall in its profits.

A major reason for the decline in domestic industry sales during 2023 was the slow demand in major markets like China, the US and Japan. As can be seen in the figures provided, there were minimal sales of Chinese products into the Philippine market at only 2,400 MT in 2023. Japan remained fairly constant at the level of 40,000 MT, and there were no imports from the US.



Global Containerboard demand including in Southeast Asia have trended downwards since 2022-2023 as consumer demand shifted back towards services and hurt by inflation and tensions. This condition resulted in declining demand of containerboard prices including in the SEA region. The decline in prices is further supported by declining prices for Old Corrugated Containers (OCC- raw materials for Containerboard).

APP prices are tagged above the overall containerboard market prices in the SEA region. Despite the market downturn, APP Indonesia believes that their selling prices to the Philippines have remained above the overall SEA market average prices. Customer preference towards imported corrugating medium factors in prices offered to the market and overall product quality.

Implementing additional tariffs will raise costs for downstream buyers, ultimately increasing prices of finished goods to Brand owners and end customers. It is requested that investigation be made whether the cause of injury is the imports or other external factors. If import safeguard or additional tariffs on imported goods are applied, it may force the corrugators to purchase goods at elevated prices provided by the local mills, which may cause a domino effect to cause higher finished goods prices for brand owners. This may ultimately result in higher costs for end customers potentially impacting the Philippine economy on a macroeconomic scale.

**b) Vangmay Papers Private Limited**

On 22 February 2025, DTI received the accomplished questionnaire from Vangmay Papers Private Limited. The company stated that they did not export much to the Philippines and only exported a couple of shipments having a value of less than 50,000 USD. Philippines is not such a big manufacturer of paper. Hence, imports of paper are not going to harm local players.

**c) Soltis Kağıt Dış Tic. A.Ş.**

On 25 February 2025, DTI received the accomplished questionnaire from Soltis Kağıt Dış Tic. A.Ş. In the opinion of Soltis, the reason that there may be claims, is that the products purchased are made from recycled materials which Soltis is not familiar with. Soltis sells only 100% virgin fiber-items, which for this reason Soltis does not have any claims about the quality of its products. As Soltis does not have any exported material under investigation, Soltis cannot make any comments about the matter.

**d) Itochu Pulp & Paper Corp.**

On 26 February 2025, Itochu Pulp & Paper Corp. submitted their responses to the questionnaire stating the products produced and/or sold in the Philippines is corrugating medium with total volume of xxx MT from 2020-2024.

#### e) Kyokuyo Co., Ltd.

On 27 February 2025, DTI received the Kyokuyo Co., Ltd.'s request for extension to submit accomplished questionnaire. The company was granted an extension until 07 March 2025. Responses were transmitted on 07 March 2025. According to Kyokuyo, corrugated carton boxes are crucial materials in logistics. Kyokuyo expects the Philippine export industry to grow, mainly in electrical/electronic parts and fruits/vegetables. Domestic demand is also expected to grow, primarily in food/beverages. As the Philippines is an island nation just like Japan, Kyokuyo expects its high demand for corrugated carton boxes. Thus, corrugated carton boxes are essential for economic growth.

Further, Kyokuyo is looking at the supply and demand balance in the Philippines, Kyokuyo estimates that containerboard paper production is approximately [REDACTED] MT/year, while containerboard paper consumption is approximately [REDACTED] MT/year. Thus, Kyokuyo believed that approximately [REDACTED] MT/year of imported containerboard paper is needed.

Since containerboard paper is divided into Corrugating Medium Paper and Linerboard Paper, this figure would not directly apply to the Corrugating Medium Paper subject of the investigation at this time, but can be helpful as a reference. In addition, the Corrugating Medium Paper machines in the Philippines are allocated to produce both Test Linerboards and Corrugating Medium Paper. However, some machines produce both Corrugating Medium Paper and recycled Woodfree Paper or recycled Kraft Paper.

The production volume reported by PULPAPEL does not seem to be the actual Corrugating Medium Paper production volume, but the production capacity of their paper machines. It should be noted that, paper machines need to be shut down for maintenance and production capacity does not equal to production volume.

It is quite likely that the safeguard measures will lead to an unstable supply of corrugated carton boxes, which will only have a negative impact on companies that do not want their supply chains to stagnate. However, as the pioneer in the containerboard industry, they would like to continue to support the economic development of the Philippines by supplying raw materials for corrugated carton boxes for logistics, which can be said to be the veins of the economy. They also believe that it can respond to any requests from the Philippine corrugated packaging industry in terms of processing technology. Lastly, Kyokuyo hopes that decision for a big picture will be made with an eye towards the growth of the Philippine economy.

#### f) Mondi Paper Sales GMBH

On 03 March 2025, DTI received the Mondi Paper Sales GmbH's request for extension to submit accomplished questionnaire on 18 March 2025. The company was granted the extension and responses were received on the same date. The company executed via Inter-Papier Handelsgesellschaft mbH only one shipment of testliner under HSD Code 4805.2400 and 4805.2500 in 2020. Since then, no sales of this grades into the Philippine market has been made and as of now there is no intention to sell this grade to the Philippines in the foreseeable future, as the global production is captured by the

integration in Europe, especially in Poland where the product has been produced. As Mondi has not been selling the products into the Philippines, as domestic production is captured by integration in Europe, and as transport cost to the Philippines are too high, Mondi has lost sight of the containerboard market in the Philippines as not of commercial interest.

**g) Saigon Paper Corporation**

On 03 March 2025, DTI received the accomplished questionnaire from Saigon Paper Corporation. As stated, the Philippines is not Saigon's main market and only receives inquiries from customers and propose products that suit their demand. In the next two years Saigon does not have specific plan for their sales activity in the Philippine market.

**h) Macro-Lite Korea**

On 04 March 2025, Macro-Lite Korea submitted their position. As mentioned, Macro-Lite has not been exporting the corrugating medium under HS Code 4805.19.10, 4805.19.90, and 4805.12.00, to the Philippine market within the past few years. The company cannot match the market price of the Philippines for the subject items and is not competitive enough to export to the Philippine market.

**i) Siemens AG**

On 05 March 2025, Siemens AG submitted their position. The company confirms that the company had no importations of any corrugating medium, i.e., fluting paper classified under ASEAN Harmonized Tariff Nomenclature (AHTN) Codes 4805.19.10, 4805.19.90, and 4805.12.00. Therefore, Siemens AG is not an "interested party" for purposes of the subject investigation, as the company has no relevant information to offer.

**j) Japan Pulp & Paper Co., Ltd.**

On 06 March 2025, DTI received the Japan Pulp & Paper Co., Ltd.'s request for extension to submit accomplished questionnaire. The granted extension was until 14 March 2025. The company submitted the accomplished questionnaire on 01 April 2025. The company stated that the demand for recycled paper exceeds the local supply, necessitating reliance on imports. The situation arises because the domestic production of recycled paper is insufficient to meet the needs of various industries, particularly the packaging industry, which heavily relies on recycled materials for manufacturing products like cardboard and paper packaging. As a result, companies in the Philippines often import recycled paper from other countries to ensure they have enough materials to sustain their operations and meet the market demands.

### **A.1.c.2 Importers**

Out of fifty-five (55) identified importers, twelve (12) submitted responses to the DTI Questionnaire. The following are the identified importers that submitted responses to the Questionnaire:

#### **a) Republic Corrugated Cartons & Alcohol Inc.**

On 20 February 2025, DTI received the accomplished questionnaire from the Republic Corrugated Cartons & Alcohol Inc. The company affirmed that based on their inventory, they only had xxx of imports of the product subject to the investigation for the last five years. Also, it was asserted that Republic Corrugated Cartons & Alcohol Inc. does not import corrugating medium.

#### **b) 818 East Asia Group Corporation**

On 20 February 2025, 818 East Asia Group Corp submitted their position. East Asia opposes the imposition of safeguard measures on the importation of corrugating medium. As a key manufacturer of corrugated products and an importer, East Asia believes that the imposition of additional tariffs will have significant adverse effects, not only on our business but also on the broader economy. The proposed safeguard measure will result in increased costs for paper-based packaging products including corrugated boxes and paper bags. A majority of these products are used in essential industries, particularly the food sector which heavily relies on corrugated packaging for storage, transport, and retail.

By increasing the cost of materials, the safeguard measures will contribute to rising prices for food staples and other necessities, exacerbating inflation across the country. Higher costs in the paper packaging sector will inevitably be passed on the manufacturers who will in turn pass it to the consumers. This will create a ripple effect throughout multiple industries, ultimately leading to an overall increase in inflation.

#### **c) Asian Stationery Corporation**

On 24 February 2025, DTI received the accomplished questionnaire from Asian Stationery Corp. The company stated that they imported the product under investigation only once and supply had been fully disposed. The product quality of imports has stiffness of the paper and the quality is more stable. The company also commented that there might be increased volume of imports due to insufficient supply in the market during the period of investigation.

#### **d) Metro Ace Packaging Corporation**

On 24 February 2025, DTI received the Metro Ace Plastic Corp.'s request for extension to submit accomplished questionnaire. The company submitted their responses on 06 March 2025. It was stated that the main difference is the quality of the corrugating medium paper. Imported paper has lower water absorption compared to local recycled paper. It was also affirmed that their application needs a good moisture resistance and no local paper can meet their standards.



**e) Primeline Paper Sales, Inc.**

On 24 February 2025, DTI received the accomplished questionnaire from Primeline Paper Sales, Inc. The company claimed that the increase in raw material imports, cited by the applicants as a cause of serious injury, was actually due to the applicants' inability to meet demand, quality and price of materials that are needed in the market.

**f) Jennson Packaging Corp.**

On 25 February 2025, Jennson Packaging Corp. submitted their position. The company raised that an organization or a group such as the Petitioners/Applicants can monopolize the domestic trade. Jennson's comments are the following:

There will be additional costs to the importers. The cost of packaging will increase due to the fact that Corrugating Medium is about 40% of the box structure and depends more on the type of box. The Corrugating Medium Prices will increase as dictated by the local source. The Corrugating Medium supply will be less as importers will have to consider the tariff duty to be imposed. The increase in the cost of packaging will be passed on to the end-user. There will be issue in the stability of the supply of Corrugating Medium. The investigation will affect importations. The said importations boost the trade agreements between countries and generates taxes for the government which helps the economy. Jennson hopes for a reconsideration on the imposition of the safeguard measures.

**g) Venture360 Paper Products Co.**

On 25 February 2025, Venture360 Paper Products Co. submitted their position. The company is specialized in the manufacturing of diversified products of paper core and tubes in the Philippines. One of the main raw materials used in making paper cores and tubes is Paper Rolls specifically Core Board and Chip Board ranging from 420gsm to 550gsm, with suppliers from both domestic and international. Venture360 currently does not engage with any importation of corrugated medium and will give insights regarding the matter if in the future it purchases the subject corrugated medium.

**h) Well-Pack Container Corporation**

On 26 February 2025, DTI received the accomplished questionnaire from Well-Pack Container Corporation. The following are their responses:

- The local corrugators and box makers in its desire to serve and supply the packaging needs of its customers had to look for alternative supplier/source of corrugating medium, brought about by the limited supply locally.
- Local corrugators are dependent on the production schedule of local paper mills. There are cases that paper mills are unable to supply the box makers' orders for corrugating medium because the mills' production schedule/run for the month is for test liner or for a different grade of paper.
- In another scenario, there are times that both local paper producers, example UPPC and Bataan are running the same grade of paper (test liner), so the local corrugators do not have any alternative source locally, resulting to the carton plant's inability to produce and supply the orders of its customers, because they have to wait for the production cycle of the paper mills to produce the required corrugating medium.



**i) Integrated Micro-Electronics, Inc.**

On 03 March 2025, DTI received the Integrated Micro-Electronics, Inc.'s request for copies of relevant documents to the case.

**j) Dole Philippines, Inc.**

On 05 March 2025, Dole Philippines, Inc. (DPI) submitted their position to the DTI. The following are their comments. While DPI previously operated a Miscellaneous Customs Bonded Warehouse (MCBW) and box plant for the importation of raw paper materials and subsequent manufacturing of paper packaging materials (for use in its fresh fruit exports), the box plant was however, sold in 2022 and the MCBW closed effective June 30, 2023. Thus, DPI is no longer engaged in the importation of raw paper materials including Corrugation Medium. DPI is waiving its right to submit its response to or comments on the Initiation Report and/or PULPAPEL's application for the imposition of safeguard measures.

**k) Triple Star Packaging Corporation**

On 05 March 2025, Triple Star Packaging Corp. submitted their position to the DTI. Triple Star expresses its opposition to the implementation of the subject safeguard measure on the importation of corrugating medium. As a key manufacturer of corrugated products and an importer in the industry, Triple Star believes that, the imposition of additional tariffs will have significant adverse effects not only on its businesses but also on the broader economy. Prices of various raw materials have astronomically increased post-pandemic which saw the rise of prices of the commodities. Increased costs in the paper packaging sector will inevitably be passed on to the manufacturers, who in turn will also pass the costs to the end-users or consumers. The increased costs of paper commodities will affect not only direct users, but also multiple industries, further burdening the economy and limiting the market competitiveness. Triple Star do not support the proposed safeguard measure which will result in increased costs for the paper-based packaging products including corrugated boxes and paper bags.

**l) Allied Corrugator Corp.**

On 06 March 2025, Allied Corrugator Corp. submitted their position to the DTI. The company stated that local corrugated medium quality is inferior to imported options, primary due to its high humidity absorption, which damages products, especially in humid shipping conditions. This quality issue, combined with local suppliers' inability to meet demand, forces clients to require imported materials and leads companies to import larger volumes.

**m) Steniel Mindanao Packaging Corp.**

On 25 March 2025, DTI received the accomplished questionnaire from Steniel Mindanao Packaging Corp. The company is primarily engaged in the conversion of raw materials and not on sale of imported materials. The company's importation of corrugating medium under the relevant HS codes have decreased by approximately 44% from 2023 to 2024. According to Steniel, there have been no significant injuries caused to local suppliers, as the importation complies with existing regulations. Therefore, imposing safeguard measures on the importation of corrugating medium,

particularly those under the ASEAN Harmonized tariff Nomenclature (AHTN) Codes 4805.19.10, 4805.19.90 and 4905.12.0 from various countries, is not warranted.

### **A.1.c.3 Foreign Embassies**

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

#### **a) Ministry of Economic Development of The Russian Federation**

On 18 February 2025, DTI received a position from the Department of Development and Regulation of Foreign Economic Activity of the Ministry of Economic Development of the Russian Federation. The government of the Russian Federation argues that since it did not export the product to the Philippines in 2023 or the first half (January – June) of 2024, its imports could not have caused or threatened serious injury to the Philippine domestic industry.

The Government of the Russian Federation also points out that the top three exporters to the Philippines—Japan, Indonesia, and Australia—benefit from free trade agreements and zero import tariffs, whereas most other countries face a 7% tariff. Given that the increase in imports comes from these countries, Russia contends that this situation was foreseeable and does not justify safeguard measures under WTO and GATT 1994 provisions. Therefore, Russia requests that the Department exclude Russian exports from any safeguard measures.

#### **b) Embassy of South Africa**

On 19 February and 13 March 2025, DTI received the position from South African Embassy. The South African government requested to be an interested party in the safeguard measures case on imported corrugating medium. Citing Article 9.1 of the WTO Safeguards Agreement and South Africa's status as a developing country, they argue that their import volume of the subject product during the period of investigation is low and did not contribute to any serious injury or threat of serious injury to the Philippine domestic industry. Therefore, South Africa requests that imports of South African origin be excluded from any safeguard measures resulting from the investigation.

#### **c) Embassy of Austria**

On 20 February 2025, Austrian Embassy acknowledged the receipt of the Notice and Initiation Report.

#### **d) Embassy of Mexico**

On 20 February 2025, DTI received the Mexican Embassy's request for exclusion of Mexican imports from the safeguard measures investigation. The Government of Mexico cited that UN Comtrade data showed no Mexican exports to the Philippines from 2019 to October 2024. Under Article 9.1 of the WTO Agreement on Safeguards, Mexico, as a developing country, qualifies for exemption and urges the Philippine government to exclude its imports from any safeguard measures.

**e) Royal Thai Embassy**

On 25 February 2025, Royal Thai Embassy submitted their position. The Thai Department of Foreign Trade (DFT) expresses concern over the Philippines' preliminary safeguard investigation on corrugating medium imports. DFT argues that the Philippines has no WTO binding tariff obligations for the product, making the safeguard measure inconsistent with GATT 1994 and the Agreement on Safeguards (SGA). The investigation lacks justification as there is no proven unforeseen development, significant import increase, or serious injury to domestic producers. Additionally, the causal link analysis is inadequate, and Thai imports remain below the 3% threshold for developing countries, warranting Thailand's exclusion from the investigation. DFT urges the immediate termination of the probe.

**f) Embassy of Italy**

On 25 February 2025, DTI received the request of Embassy of Italy for extension to submit views/comments and was granted until 04 March 2025. No position was received yet.

**g) Delegation of the European Union to the Philippines**

On 06 March 2025, the Delegation of the European Union to the Philippines submitted a request to be registered as an interested party in the investigation.

**h) Ministry of Trade Republic of Indonesia**

On 27 March 2025, DTI received the comments from the Directorate General of Foreign Trade of the Ministry of Trade Republic of Indonesia. The Government of Indonesia reaffirms its request for the DTI to conduct the ongoing safeguard investigation on corrugating medium imports fairly, transparently, and objectively, particularly when analyzing other factors contributing to the domestic industry's injury. They assert that Philippine corrugating medium imports are not causing serious injury or posing a threat, as there is no evidence of unforeseen developments or a surge in imports. Additionally, they argue that imports are not responsible for the decline in domestic sales, export sales, production volume, or price effects such as price depression.

**A.1.c.4 Association****a) Consumer Welfare Office of Parañaque City**

On 24 February 2025, the Consumer Welfare Office of Parañaque City transmitted their position to the DTI. The Office states that the application by PULPAPEL, UPPC and Bataan 2020 for safeguard measures on corrugating medium imports should consider public interest, as the paper industry has significant environmental, economic, and social impacts. The Philippine paper industry relies heavily on recycled materials and agricultural waste, supporting waste management and job creation. While domestic paper production is sufficient, the country lacks a local pulp mill, which is necessary for high-value paper products. The increase in imports from 2019-2023, except for a slight dip during the pandemic, threatens local production, potentially

leading to economic losses, job cuts, and environmental concerns. The safeguard investigation should carefully assess these factors.

## **A.2. Additional Documents Submitted by the Petitioner**

On 24 and 25 April 2025, DTI received PULPAPEL's position requesting for the imposition of provisional safeguard duty to minimize, if not prevent the continued serious injury caused by the imported corrugating medium to the domestic industry as well as additional comments on the matter.

## **IV. APPRECIATION OF AVAILABLE EVIDENCE**

Rule 6.5.c of the IRR states:

*"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 fifty-six (56) identified exporters, ten (10) submitted responses to the DTI Questionnaire. For the importers, out of fifty-five (55) identified importers, twelve (12) 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) **Soltis Kağıt Dış Tic. A.Ş.**

Soltis Kağıt Dış Tic. A.Ş. stated that Soltis sells only 100% virgin fiber-items, which for this reason Soltis does not have any claims about the quality of its products. As Soltis does not have any exported material under investigation, Soltis cannot make any comments about the matter.

- b) **Mondi Paper Sales GMBH**

The company executed via Inter-Papier Handelsgesellschaft mbH only one shipment of xxx tons of testliner under HSD Code 4805.2400 and 4805.2500 in 2020. Since then, no sales of this grades into the Philippine market has been made and as of now there is no intention to sell this grade to the Philippines in the foreseeable future, as the global production is captured by the integration in Europe, especially in Poland where the product has been produced.



**c) Siemens AG**

Siemens AG confirms that the company had no importations of any corrugating medium, i.e., fluting paper classified under ASEAN Harmonized Tariff Nomenclature (AHTN) Codes 4805.19.10, 4805.19.90, and 4805.12.00.

**d) Vangmay Papers Private Ltd.**

Vangmay does not export much to the Philippines and only exported a couple of shipments having a value of less than x x x. Philippines is not such a big manufacturer of paper. Hence, imports of paper are not going to harm local players.

**• 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) Asian Stationery Corporation**

Asian Stationery Corp. stated that products imported into the Philippines is corrugating medium which is a one-time importation only and no ending inventory available. It might be possible that no supply is available in the market at the time of the importations.

**b) DOLE Philippines, Inc.**

Dole Philippines, Inc. previously operated a Miscellaneous Customs Bonded Warehouse (MCBW) and box plant for the importation of raw paper materials and subsequent manufacturing of paper packaging materials (for use in its fresh fruit exports), the box plant was however, sold in 2022 and the MCBW closed effective June 30, 2023. Thus, DPI is no longer engaged in the importation of raw paper materials including corrugation medium.

**c) Primetime Paper Sales, Inc.**

Primetime needs to import its raw materials for the following reasons: (a) The 45 and 48 gsm cannot be produced or supplied consistently by the local mills; (b) Local mills cannot sustain or supply the quantity that Primetime needs; (c) Local mills cannot meet the demand for domestic market; and (d) The price (lower) of imports.

**d) Republic Corrugated Cartons & Alcohol, Inc.**

Republic Corrugated Cartons and Alcohol claimed that they did not import corrugating medium.

**e) Venture 360 Paper Products Co.**

Venture currently does not engage with any importation of corrugated medium and will give insights regarding the matter if in the future it purchases the subject corrugated medium.



## **V. 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. The Elements Required by Law**

As stated under Section 5 of RA 8800 and its IRRs *"the Secretary shall apply a general safeguard measure upon a positive final determination of the Commission that a product is being imported into the country in increased quantities, whether absolute or relative to the domestic production, as to be a substantial cause of serious injury or threat thereof to the domestic industry; however, in the case of non-agricultural products, the Secretary shall first establish that the application of such safeguard measures will be in the public interest"*.

### **C. Relevant Provisions**

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) 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"*.

## D. Period of Investigation

The POI covers imports of corrugating medium from 2019 to 2023 and was updated until 2024. The domestic corrugating medium 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.

## E. 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.”*

### E.1 Volume of Imports

The DTI has evaluated whether the product under investigation is being imported in increased quantities, either absolutely or relative to domestic production, and whether these imports are on terms or conditions that could cause, or threaten to cause, serious injury to the local corrugating medium industry during the past (5) five years up to the most recent data available sourced from the Bureau of Customs (BOC).

#### E.1.1. Absolute Terms - Import Volume – Corrugating Medium

Table 1 shows the volume of imported corrugating medium that arrived in the Philippine market from 2019 to 2023 and was updated for the whole year of 2024.

Figure 1: Volume of Imports

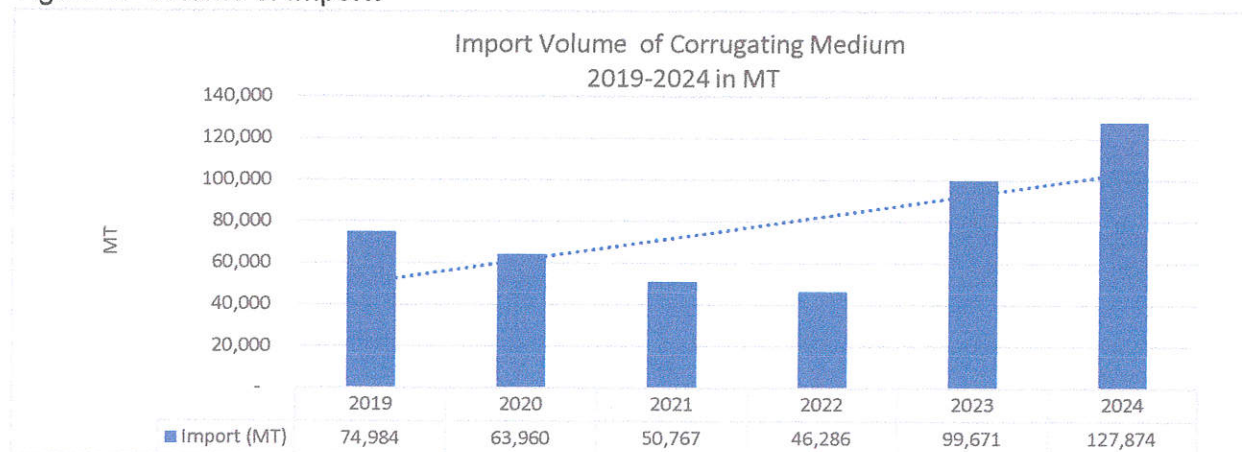


Table 1: Import Volume of Corrugating Medium (2019 – 2024) in MT

Year	2019	2020	2021	2022	2023	2024
<b>Import Volume (MT)</b>	74,984	63,960	50,767	46,286	99,671	127,874
<b>Absolute</b>	-	(11,024)	(13,193)	(4,481)	53,385	28,203
<b>Growth Rate (%)</b>	-	(15%)	(21%)	(9%)	115%	28%

Note: Excluded imports: 1) Philippine International Trading Corporation - Common Customs Bonded Warehouse (PITC-CCBW) conditioned upon re-exportation as finished products, 2) domestic industry, and 3) semi-chemical fluting

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

Imports of corrugating medium significantly increased during the POI (i.e. from about 75,000MT to 128,000MT in 2024). Over the POI, the volume of imports grew by approximately 71%, indicating strong growth. In 2023, imports rose to 99,671MT (a 115% increase from the previous year's level). In 2024, imports increased further by 28% compared to 2023, marking the highest level during the POI. The 2024 import volume is also 1.71 times higher than the 2019 pre-pandemic level.

Thus, the increase in imports is recent, sudden, sharp and significant in absolute terms during the POI.

### E.1.2. Share of Imports (by Country) of Corrugating Medium

Table 2.a: Share of Imports (major supplier) in MT

COUNTRY	PERIOD OF INVESTIGATION 2019 – 2024											
	2019	% Share	2020	% Share	2021	% Share	2022	% Share	2023	% Share	2024	% Share
Australia	30,562	40.76	20,570	32.16	5,394	10.63	525	1.13	13,972	14.02	227	0.18
PROC	8	0.01	20	0.03	38	0.07	16	0.04	4,011	4.02	41,624	32.55
Indonesia	3,901	5.20	2,826	4.42	1,024	2.02	6,062	13.10	15,895	15.95	5,477	4.28
Japan	6,624	8.83	19,448	30.41	23,711	46.70	33,853	73.14	49,181	49.34	69,713	54.52
Viet Nam	3,129	4.17	2,028	3.17	11,118	21.90	5,754	12.43	14,186	14.23	6,360	4.97
<b>Major Sources</b>	<b>44,224</b>	<b>58.98</b>	<b>44,891</b>	<b>70.19</b>	<b>41,284</b>	<b>81.32</b>	<b>46,212</b>	<b>99.84</b>	<b>97,246</b>	<b>97.57</b>	<b>123,402</b>	<b>96.50</b>
<b>Other Sources</b>	<b>30,760</b>	<b>41.02</b>	<b>19,068</b>	<b>29.81</b>	<b>9,482</b>	<b>18.68</b>	<b>74</b>	<b>0.16</b>	<b>2,425</b>	<b>2.43</b>	<b>4,472</b>	<b>3.50</b>
<b>Grand Total</b>	<b>74,984</b>	<b>100</b>	<b>63,960</b>	<b>100</b>	<b>50,767</b>	<b>100</b>	<b>46,286</b>	<b>100</b>	<b>99,671</b>	<b>100</b>	<b>127,874</b>	<b>100</b>

Source: Bureau of Customs (BOC-SAD)

The biggest suppliers of corrugating medium are Japan, Indonesia, Australia, Viet Nam and PROC during the POI.

In 2024, Japan accounted for 54.52% share of total Philippine imports (69,713MT), followed by PROC (32.55%), Viet Nam (4.97%), and Indonesia (4%).

Table 2.b: Share of Imports (other sources) in MT

COUNTRY	2019	% Share	2020	% Share	2021	% Share	2022	% Share	2023	% Share	2024	% Share
United Arab Emirates	6,463	8.62%	1,383	2.16%	1,243	2.45%	-	-	-	-	-	-
Austria	76	0.10%	-	-	-	-	-	-	-	-	-	-
Belgium	-	-	72	0.11%	-	-	-	-	-	-	17	0.01%
Canada	249	0.33%	-	-	216	0.43%	-	-	-	-	-	-
Germany	-	-	-	-	41	0.08%	-	-	-	-	-	-
Spain	144	0.19%	-	-	-	-	-	-	-	-	19	0.01%
Finland	-	-	-	-	-	-	-	-	-	-	-	-
India	-	-	-	-	-	-	-	-	81	0.08%	66	0.05%
Italy	-	-	-	-	-	-	-	-	-	-	72	0.06%
Republic of Korea	1,626	2.17%	385	0.60%	1,610	3.17%	-	-	239	0.24%	1,112	0.87%
Malaysia	1,360	1.81%	2,027	3.17%	2,882	5.68%	-	-	-	-	132	0.10%
Netherlands	70	0.09%	104	0.16%	-	-	-	-	-	-	-	-
Norway	-	-	-	-	-	-	-	-	-	-	22	0.02%
Poland	-	-	-	-	-	-	-	-	-	-	-	-
Russian Federation	1,026	1.37%	730	1.14%	-	-	-	-	-	-	-	-
Sweden	1,964	2.62%	1,275	1.99%	-	-	-	-	-	-	24	0.02%
Singapore	-	-	-	-	-	-	-	-	0.0002	0.00%	21	0.02%
Thailand	14,510	19.35%	10,397	16.26%	2,474	4.87%	74	0.16%	2,079	2.09%	2,971	2.32%
Chinese Taipei	3,271	4.36%	2,695	4.21%	1,017	2.00%	-	-	25	0.03%	16	0.01%
<b>Other Sources</b>	<b>30,760</b>	<b>41.02%</b>	<b>19,068</b>	<b>29.81%</b>	<b>9,482</b>	<b>18.68%</b>	<b>74</b>	<b>0.16%</b>	<b>2,425</b>	<b>2.43%</b>	<b>4,472</b>	<b>3.50%</b>

Source: Bureau of Customs (BOC-SAD)

Other sources include UAE, Austria, Belgium, Canada, Germany, Spain, Finland, India, Italy, South Korea, Malaysia, Netherlands, Norway, Poland, Russia, Sweden, Singapore, Thailand, and Chinese Taipei.

## E.2. Relative Terms

### E.2.1 Corrugating Medium

Table 3: Comparison of Volume of Imports to Domestic Production of Corrugating Medium (2019-2024) in MT

Year	Imports (MT)	*Production (MT)	% Share of Imports to Domestic Production
2019	74,984	100	xxx
2020	63,960	76	xxx
2021	50,767	89	xxx
2022	46,286	124	xxx
2023	99,671	127	xxx
2024	127,874	157	xxx

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

Domestic Production - Domestic Industry

\*Figures indexed due to confidentiality

The share of imports represented a significant share proportionate to production during the POI.



In 2023, the ratio of imports to domestic production rose sharply to almost xxx. While domestic production slightly increased, imports grew at a significantly faster rate outpacing production growth. In 2024, share of imports relative to domestic production increased further. During the period of review (2019-2024), the average share of imports relative to domestic production was almost xxx.

In view of the above, it can be concluded that there has been a recent, sudden, sharp and significant increase in imports, both in absolute and relative terms.

## **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

Figure 2: Total Apparent Philippine Market

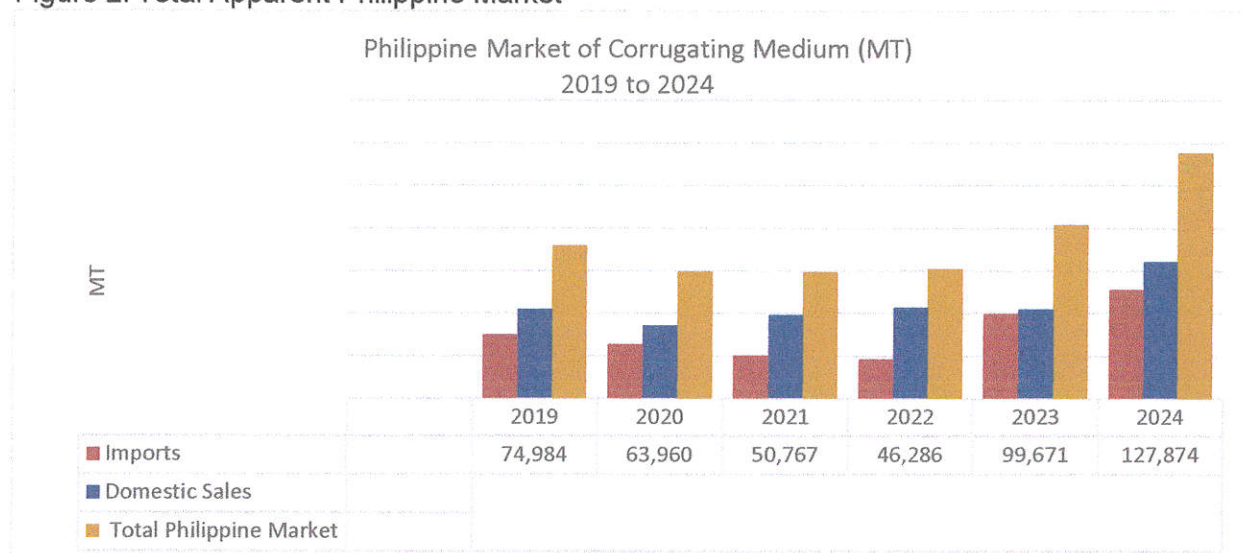


Table 4: Total Apparent Philippine Market (in MT) – Imported Corrugating Medium and Domestic Sales

Year	Imports (MT)	*Domestic Sales (MT)	*Total Philippine Market	Market Share	
				Domestic Industry	Imports
2019	74,984	100	100	xxx	xxx
2020	63,960	81	83	xxx	xxx
2021	50,767	93	83	xxx	xxx
2022	46,286	101	85	xxx	xxx
2023	99,671	100	113	xxx	xxx
2024	127,874	154	161	xxx	xxx

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

Domestic Industry – Domestic Sales Volume

\*Figures indexed due to confidentiality

The total apparent Philippine market was at its peak in 2024. Between 2019 and 2024, consumption demand grew at an average annual rate of 12%. The increase in consumption demand during this period is equivalent to 61% of the 2019 level.

In 2019, total apparent demand was approximately [REDACTED] MT, but it declined by 17% in 2020. This decrease was driven by a xxx drop in sales and a 15% reduction in imports. The industry attributed the decline in the market demand to the shutdown of several businesses, which led to increased unemployment and greatly impacted consumer spending.

In 2021, apparent demand further declined by less than xxx and increased in 2022 by xxx as the industry's sales increased by xxx due to the expansion of major local mills, such as UPPC and Bataan 2020, Inc. The new paper machines began commercial operations, offering high-strength products and lower basis weight regular grades to meet consumer needs.

In 2023, the total apparent Philippine market expanded by xxx. This growth was driven by a 115% increase in imports, while sales of domestic products declined by xxx.

The domestic industry claimed that despite the expansion of local mills, imports have hindered new projects from fully utilizing their production capacities, leading to machine shutdowns in 2022 and 2023. Consequently, the domestic industry was forced to lower selling prices to compete with imports, resulting to continued business shutdowns as imports grew and captured a significant share of the Philippine market.

On the other hand, the market share of domestic sales relative to Philippine market fluctuated from 2019 to 2024, ranging from a high of almost xxx to a low of at least xxx. In 2023, market share of domestic industry plummeted as imports significantly increased by xxx and domestic sales declined by xxx, while imports captured almost xxx of the Philippine market. In 2024, the share of domestic industry rebounded to approximately xxx, driven by a xxx increase in sales. However, despite this recovery, share of imports still accounted for approximately xxx of the market.

## **B. Sales, Production, Ending Inventory and Capacity Utilization**

### **B.1 Domestic Sales**

Table 5: Domestic Sales Volume and Value

<b>Year</b>	<b>*Sales Volume (MT)</b>	<b>% Increase (Decrease)</b>	<b>*Sales Value (Php Million)</b>	<b>% Increase (Decrease)</b>
2019	100	-	100	-
2020	81	(18.51)	77	(22.97)
2021	93	14.63	113	47.04
2022	101	8.65	139	22.43
2023	100	(1.86)	123	(11.67)
2024	154	54.15	157	28.08

Source: Domestic Industry

\*Figures indexed due to confidentiality

The industry's domestic sales volume and value decreased by 19% and 23%, respectively in 2020. According to the domestic industry, the 2019 sales volume is in line with growth demand, however, the demand drastically declined in 2020 due to shutdown of some businesses, leading to increase in unemployment thereby greatly affecting consumer spending.

The domestic industry's sales volume recovered by a 15% increase in 2021 and further by 9% increase in 2022. Sales value likewise increased by 47% in 2021 and 22% in 2022. According to the domestic industry, there was an increase in overall market demand because of the resumption of global economy in 2021 and further increase in sales volume in 2022 was due to the commercial run of new paper machines offering high strength corrugating medium.

In 2023, domestic sales volume and value declined by 2% and 12%, respectively. According to the domestic industry, sales declined due to surge in imported paper caused by slow demand in major markets (China, US, and Japan). Majority of large foreign mills have excess capacity resulting to the offering of cheap imported prices to

the Philippine market in order for them to utilize their production capacity. As a result, Philippine paper mills were forced to decrease their selling prices in order to compete.

Despite this, majority of paper mills were still forced to shut down their machines as market share were eaten up by imported mills. In 2024, sales volume and value increased by 54% and 28%, respectively when the market showed an expansion of demand.

## B.2. Export Sales

Table 6: Export Sales Volume and Value

Year	*Sales Volume (MT)	% Increase (Decrease)	*Sales Value ('000 USD)	% Increase (Decrease)
2019	100	-	100	-
2020	0	(100.00)	0	(100.00)
2021	37	100.00	154	100.00
2022	714	1,849.56	137	(10.66)
2023	823	15.36	100	(27.40)
2024	555	(32.55)	94	(5.82)

Source: Domestic Industry

\*Figures indexed due to confidentiality

The industry did not export in 2020 due to the shutdown of some businesses during the pandemic. The industry's export sales volume recovered in 2021 and increased by 1,850% in 2022, increased by 15% in 2023 but declined by 33% in 2024. However, export sales value declined by 11% in 2022, 27% in 2023 and further declined by 6% in 2024.

## B.3 Production

Table 7: Total Production

Year	2019	2020	2021	2022	2023	2024
*Production (MT)	100	76	89	124	124	157
% Increase (Decrease)	-	(24.13)	16.71	39.63	0.14	27.14

Source: Domestic Industry

\*Figures indexed due to confidentiality

The industry's production volume declined by 24% in 2020 and increased by 17% and 40% in 2021 and 2022, respectively. In 2023, production slightly increased by less than 1% while sales volume declined by less than 2%. The updated data in 2024 showed that production increased by 27% following an increase in sales volume by 54%.



## B.4 Finished Goods Inventory

Table 8: Finished Goods Inventory

Year	*Volume (MT)	% Increase (Decrease)	*Value (Php Million)	% Increase (Decrease)
2019	100		100	
2020	109	9.50	103	3.05
2021	225	105.53	267	158.45
2022	426	89.20	538	102.03
2023	638	49.86	710	31.81
2024	228	(64.34)	252	(64.52)

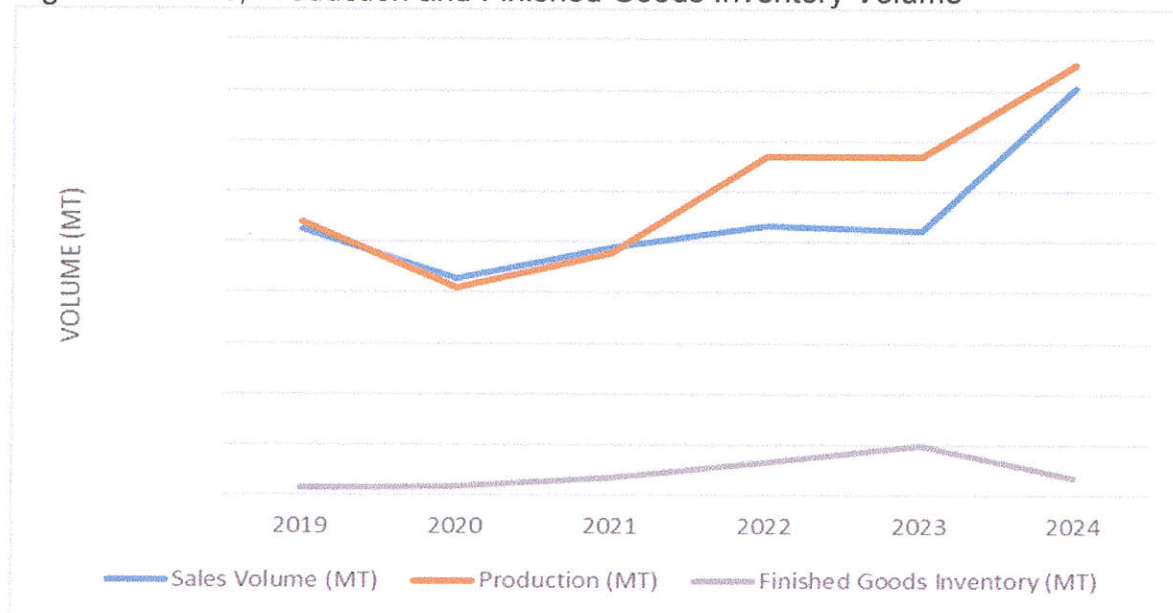
Source: Domestic Industry

\*Figures indexed due to confidentiality

The finished goods inventory volume increased year-on-year during the POI by 10% in 2020, 106% in 2021, 89% in 2022 and 50% in 2023. The finished goods inventory value, likewise increased year-on-year by 3% in 2020, 258% in 2021, 102% in 2022, and 32% in 2023. The industry recorded in 2023 its highest finished good inventory volume and value.

The finished goods inventory volume in 2024 showed a decline of 64% following the increase in sales volume by 54% while production only increased by 27%.

Figure 3: Sales, Production and Finished Goods Inventory Volume



Based on the figure above, the production volume follows the trend of sales volume from 2019 to 2024. Finished goods inventory continued to increase from 2021 to 2023 due to the increase in production greater than the increase in sales from 2021 to 2022 and a decline in sales in 2023. In 2024, finished goods inventory declined due to the rate of increase in production lower than the increase in sales.

## B.5 Capacity Utilization

Table 9: Capacity Utilization

Year	*Rated Capacity (MT)	*Production (MT)	Capacity Utilization Rate (%)	% Increase (Decrease)
2019	100	100	63.72	-
2020	100	76	48.34	(24.13)
2021	100	89	56.42	16.71
2022	168	124	46.81	(17.04)
2023	194	124	40.62	(13.22)
2024	279	157	35.95	(11.50)

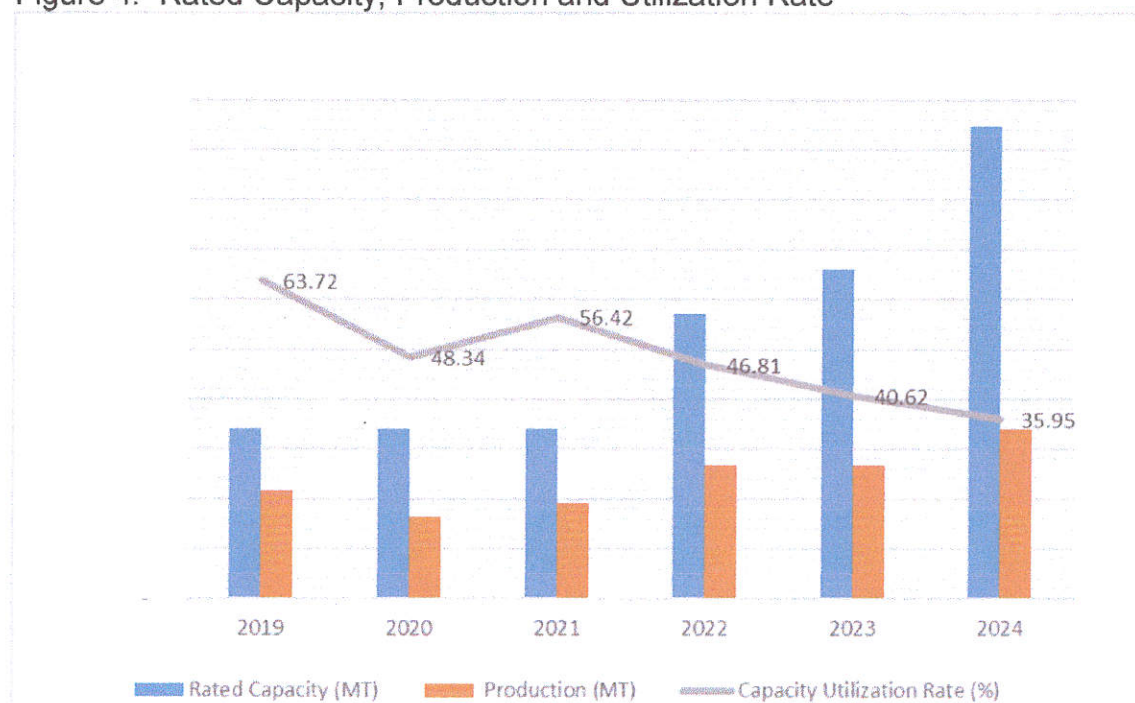
Source: Domestic Industry

\*Figures indexed due to confidentiality

The capacity utilization declined in 2020 by 24% due to the onslaught of the pandemic. In 2021, capacity utilization increased by 17%. One of the companies produce corrugating medium at its full capacity from 2019 to 2021, with some being produced in other paper machine to serve customer requirements.

In 2022 and 2023, the industry purchased additional paper machine which produces high strength corrugating medium. According to the industry, the commercial run was originally scheduled earlier, but due to the pandemic, the facility construction was delayed and extended. Owing to the significant increase in capacity, the industry did a pre-marketing activity of the corrugating medium as early as 2020-2021 to secure sales volume. In 2022, the industry reached a 47% capacity utilization rate while in 2023, the capacity utilization declined to 41%. In 2024, there was an expansion of capacity which resulted to the decline in capacity utilization to 36% despite the increase in production of the same year.

Figure 4: Rated Capacity, Production and Utilization Rate





Based on the above figure, capacity utilization has been declining since the start of the POI which is a combination of the increase in rated capacity but not with the same magnitude of increase in production. The industry recorded its lowest capacity utilization in 2024 at 36%. The industry has remaining 64% unutilized capacity.

## C. Financial Performance/ Profitability

### C.1 Profit and Loss

Table 10: Operating Profit (Loss) – M Php

Particulars	2019	2020	2021	2022	2023	2024	% Increase (Decrease) (2019 vs.2020)	% Increase (Decrease) (2020 vs.2021)	% Increase (Decrease) (2021 vs.2022)	% Increase (Decrease) (2022 vs.2023)	% Increase (Decrease) (2023 vs.2024)
*Sales	100	77	114	143	114	173	(22.97)	47.90	25.53	(20.34)	51.72
*Cost of Goods Sold	100	83	112	150	134	198	(16.73)	34.87	33.85	(10.99)	47.70
*Gross Profit	100	27	127	84	(47)	(28)	(73.44)	378.13	(33.99)	(155.94)	(41.03)
*Selling, General and Administrative Expenses	100	129	121	140	146	364	28.83	(6.29)	15.67	4.52	149.60
*Operating Profit (Loss)	100	(61)	132	36	(212)	(362)	(160.77)	317.72	(72.67)	(685.11)	(71.27)

Source: Domestic Industry

\*Figures indexed due to confidentiality

The industry's gross profit declined by 74% and recorded its first operating loss in 2020.

In 2021, the industry recovered from the pandemic, recording an increase in the gross profit by 378% and an increase in operating profit by 318%. The domestic industry mentioned that the domestic selling price increased in 2021 due to increased overall market demand because of the resumption of the global economy.

While there is an increase in selling price in 2022, gross profit declined by 34% while operating profit declined by 73%. According to the industry, there was an increase in selling price but the production costs escalated due to elevated inflation and the Russia-Ukraine war.

In 2023, the industry recorded a gross loss and an operating loss. According to the industry, the influx of imported paper due to slow demand in major markets (China, US, Japan) affected the domestic industry's share. Majority of large foreign mills have excess capacity resulting to offering cheap imported prices to PH market. As a result, PH paper mills were forced to decrease their selling prices in order to compete. Despite this, majority of paper mills were still forced to shut down their machines as market share were eaten up by imported mills. Taken collectively, these events seriously affected their overall bottom line as illustrated in their financial statements.

In 2024, despite the increase in sales by 52% and cost of goods sold by 48%, the industry still experienced gross loss since the industry generally decreased their domestic price. As a result, the industry improved with a decline of 41% gross loss

compared to the 2023 level. However, the industry worsened its operating loss by 71% due to the 150% increase in selling, general and administrative expenses.

## C.2 Return on Sales

Table 11: Return on Sales

Particulars	2019	2020	2021	2022	2023	2024
*Sales (M Php)	100	77	114	143	114	173
*Operating Profit (M Php)	100	(61)	132	36	(212)	(362)
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 have been declining during the POI except for 2021 which recorded its highest ROS. ROS decreased in 2022. In 2023, there is a loss on sales even higher than the recorded loss on sales in 2020 during the pandemic. In 2024, loss on sales continued to increase.

## D. Employment and Labor Productivity

### D.1 Employment

Table 12: Employment

Year	*Employees for Production	% Increase (Decrease)
2019	100	
2020	99	(1.50)
2021	106	8.03
2022	109	2.41
2023	115	5.69
2024	109	(5.19)

Source: Domestic Industry

\*Figures indexed due to confidentiality

The table above shows the direct labor personnel for the production of corrugating medium. Employment in 2020 relatively decreased by 1.5% while it continued to increase year-on-year by 8% in 2021, further by 2% in 2022, and by 6% in 2023. In 2024, employment declined by 5%.

According to the domestic industry, the increase in employment starting in 2021 is due to the additional personnel required in the operation of the newly purchased paper machine.

## D.2 Productivity

Table 13: Productivity

Year	*Production Volume (MT)	*Employees for Production	Labor Productivity (MT/employees)	% Increase (Decrease)
2019	100	100	xxx	-
2020	76	99	xxx	(22.98)
2021	89	106	xxx	8.04
2022	124	109	xxx	36.35
2023	124	115	xxx	(5.24)
2024	157	109	xxx	34.11

Source: Domestic Industry

\*Figures indexed due to confidentiality

The labor productivity decreased by 23% in 2020, increased by 8% in 2021 and increased sharply by 36% in 2022. However, in 2023, labor productivity declined by 5% resulting from a slight increase in production and a sustained increase in employment. In 2024, labor productivity improved by 34% due to increase in production even with a decrease of employment.

## E. Price Effects

### E.1 Cost to Produce

Table 14: Cost to Produce per MT

Particulars	2019	2020	2021	2022	2023	2024
*Raw Materials (M Php)	100	76	133	208	139	227
*Direct Labor (M Php)	100	140	150	155	235	95
*Manufacturing Overhead (M Php)	100	79	90	150	176	150
<b>*Cost to Produce (M Php)</b>	<b>100</b>	<b>79</b>	<b>109</b>	<b>174</b>	<b>161</b>	<b>182</b>
*Production Volume (MT)	100	76	89	124	124	157
<b>*COP per unit (Php/ MT)</b>	<b>100</b>	<b>104</b>	<b>122</b>	<b>140</b>	<b>129</b>	<b>115</b>
<b>% Increase (Decrease)</b>		<b>3.64</b>	<b>18.29</b>	<b>15.08</b>	<b>(8.07)</b>	<b>(10.87)</b>

Source: Domestic Industry

\*Figures indexed due to confidentiality

The industry's production cost per unit increased year-on-year from 2019 to 2022 by 4%, 18% and 15%, respectively. In 2023, production cost declined by 8% and further declined by 11% in 2024.

## E.2 Price Depression

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

Table 15: Domestic Selling Price (P in MT)

Year	*Ave. Domestic Selling Price (P/MT)	% INCREASE/ (DECREASE)
2020	100	-
2021	126	26.25
2022	143	12.92
2023	121	(14.78)
2024	106	(12.83)

Source: Domestic Industry

\*Figures indexed due to confidentiality

During the period of investigation, price depression was recorded in 2023 at 14.78% and in 2024 at 12.83%.

## E.3 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.

Table 16: Domestic Selling Price vs. Cost of Production (P in MT)

Year	*Ave. Domestic Selling Price	*Cost of Production	*Difference	% Difference [(a-b)/b] x 100
	(P/MT) a	(P/MT) b	(P/MT) a-b	
2020	100	100	100	3.61
2021	126	118	346	10.57
2022	143	136	320	8.50
2023	121	125	20	0.58
2024	106	112	(50)	(1.62)

Source: Domestic Industry

\*Figures indexed due to confidentiality

During the period of investigation, there is price suppression of 1.62% in 2024.

## E.4 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 17.a: Comparison of Landed Cost and Average Domestic Selling Price (P/MT)

Country	2023			2024		
	** Average Domestic Selling Price (PhP/MT) (a)	*Landed Cost of Imports (PhP/MT) (b)	% DIFFERENCE $[(a-b)/a] \times 100$	** Average Domestic Selling Price (PhP/MT) (a)	*Landed Cost of Imports (PhP/MT) (b)	% DIFFERENCE $[(a-b)/a] \times 100$
Australia	xxx	Xxx	3.23	xxx	xxx	16.29
Indonesia	xxx	xxx	4.83	xxx	xxx	(11.82)
Japan	xxx	xxx	7.55	xxx	xxx	(1.34)
Viet Nam	xxx	xxx	(5.79)	xxx	xxx	(14.01)
<b>Undercutting</b>	<b>xxx</b>	<b>xxx</b>	<b>3.28</b>	<b>xxx</b>	<b>xxx</b>	<b>(31.90)</b>

Source: \*BOC – SAD

\*\* Domestic Industry

Price undercutting of 3.28% was recorded in 2023. The major source countries are Australia, Indonesia, Japan and Viet Nam. For 2024, as the domestic industry's selling price declined resulting to selling below cost, no price undercutting was recorded except from Australia.

## F. Other Issues

### • Imports -

- The increase in imports of raw materials that the applicants claim contributed to serious injury, was suffered because they cannot sustain the volume demand, quality and price of materials that are needed in the market.
- Imports did not create as big a problem as made out by the domestic industry. In fact, the problem was created by their own financial over leveraging and the addition of a very large capacity in the domestic industry which did not require such a big addition. The domestic industry tried to export additional quantities, but additional costs led to a steep fall in its profits.

According to the domestic industry, the demand and supply conditions for recovered paper in the Philippine market are currently balanced. Locally sourced recovered paper is available in sufficient quantities to meet the production needs for corrugating medium. The local sources not only enhance the cost competitiveness but also supports livelihood opportunities for collectors across the country. Additionally, it contributes to environmental sustainability by reducing landfill waste and promoting responsible recycling practices.



## • Serious Injury

- Even with increased capacity, there would be still a requirement for imports, considering that, corrugating medium market totaled to x x x, having the domestic industry share of 54%, while imports contributed to 46%. Despite a significant 41% increase in capacity during the period from 2022 to 2023 with xxx there would be still a requirement for import to meet the demands. Hence, additional Safeguard Duties would just increase price/costs for downstream industry.
- The increase in the cost of production and SG&A which resulted in a shortfall in gross profit and a dramatic decrease in operating profit, cannot be attributed to the higher volume of imports.
- Petitioners/Applicants can monopolize the domestic trade.
- There will be an issue on the stability of the supply of corrugating medium. Corrugating Medium Paper cannot be fully supplied only by the domestic mills

PULPAPEL explained that with the latest major expansions of the two largest producer members of the Petitioner, the total production capacity of containerboard in the Philippines as of 2023 now adds up to xxx million tons/year, of which corrugating medium capacity accounts for 57%. The corrugating medium capacity utilization stood at 65.7% due to shutdowns caused by a 77% surge of imports. Operating at normal 5%, this will increase domestic production which will be enough to cover the imported corrugating medium of xxxMT.

The influx of cheap imports has prevented local producers from recouping their costs, resulting in financial losses.

Further, the corrugating medium paper market is not monopolized, as there are several domestic producers, including nine (9) PULPAPEL members and four (4) non-members, making it impossible for any single entity to control the market. Apart from the petitioner, eleven (11) non-PULPAPEL mills also supply a range of paper products, including corrugating medium paper, to the domestic market.

## • Unforeseen Developments

- Unforeseen developments referring to the oversupply in the packaging market, tends to overlook the fact that demand for packaging goods also increase from the period of COVID onwards due to the rise in e-commerce sales worldwide. High - cost machine lines in Europe closed down with significant capacity reductions, thereby offsetting the additional capacities generated in Asia.

According to the petitioner, the oversupply was primarily driven by excessive paper production in countries with large manufacturing capacities, such as Japan, China, Korea, Taiwan, Indonesia, Vietnam, Australia, and Thailand, as their domestic and traditional export markets declined due to weak economic conditions. The oversupply of packaging paper in the international market is temporary. However, we must keep in mind that this puts the Philippines in a disadvantageous position over a longer time period because most of the country's existing local paper and containerboard capacities were intended to meet domestic demand, while our Asian neighbors who built oversized paper manufacturing industries purposely eyed the export market.

The additional capacities of the local mills can supply the increase in demand for packaging goods due to the rise in e-commerce from COVID onwards. If it is true that high-cost machine lines in Europe closed down with significant capacity reductions, there should have been a diversion of supply of finished goods from excess volume from Asia to Europe. Therefore, there should have been no surge in imports to the Philippines.

- **Customer Preference**

- There is customer preference towards imported corrugating medium because of the prices offered in the market and the overall product quality.

Imported and locally produced corrugating medium are of comparable quality, both meeting the DTI-BPS quality specifications.

## **G. Other Adverse Effects**

The influx of imported corrugating medium forced local mills to decrease their selling prices in order to compete. Despite this, the majority of paper mills were still forced to shut down their machines as market share were eaten up by imported corrugating medium. Taken collectively, these events seriously affected their overall bottom line.

### **a) Environmental Impact — More solid waste in landfills**

More solid waste will go to landfills due to lesser production volume of local paper mills that uses recovered paper as the main raw material. Around 1.1 million tons per year of solid waste are converted to recovered paper and are prevented from going to landfills and the environment.

### **b) Social Impact — Potential job loss**

The influx of cheap imported paper resulted to decreased local production volume causing several paper mills to shut down. Around 1.6 million people get their living from recovered paper. They collect used cartons from dump sites, streets, and sidewalks. Collectors sell these recovered papers to junk shops and baling stations located across the country. Around 8,000 collectors earn money from selling recovered papers to bring home food to feed their families. Furthermore, there are 6,000 regular employees in 22 paper mills in the Philippines.

### **c) Economic Impact — Lesser income tax contribution**

With the current situation, most local paper mills are experiencing either losses or reduced profits, resulting in negligible income tax returns. In the long run, negative business profits can hinder economic growth by dampening investment, innovation, and productivity. Local mills might cut back in their capital expenditures, research and development, and hiring, limiting their capacity to expand operations and contribute to GDP growth.

## H. Other Causes of Injury

### Price-Conscious Market

The market of the Philippine brown paper industry is generally driven by price more than quality. Local customers may easily trade-off better quality paper to low-priced paper. With the absence of high tariff rates, exporters easily penetrate the market with their export prices lower than Philippine domestic prices.

### High Operation Cost

Philippine mills also have high operation costs, such as utility cost and raw material cost, which make local mills uncompetitive to imported paper.

### Foreign Capacity Expansions

The extensive capacity expansions of these foreign mills are among the major culprits why these foreign producers resort to unfair trade practice. As their local demand dropped, these foreign mills dump their excess capacity to other countries such as the Philippines.

## VI. 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."*

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."*

The DTI informed the identified importers, foreign embassies of concerned countries, consumer groups, and associations relevant to the public interest clause.

### Summary of Positions/ Comments (Public Interest)

#### In Opposition of SG Measures

- The safeguard measure will disrupt the ability of manufacturers to source affordable and high-quality paper packaging materials, which are essential to their operations.
- The corrugating medium prices will increase as dictated by the local source.
- The corrugating medium supply will be less as importers will have to consider the tariff duty to be imposed.
- There will be issue in the stability of the supply of corrugating medium.
- Local mills cannot sustain or supply the quantity that importer needs.

- The importers opposed the imposition of safeguard measures on the importation of corrugating medium. As a key manufacturer of corrugated products, they believed that the imposition of additional tariffs will have significant adverse effects, not only on the business but also on the broader economy.
- The proposed safeguard measure will result in increased costs for the paper-based packaging products including corrugated boxes and paper bags.

### **In Favor of SG Measures**

- The imposition of safeguard measure will not result in any political and/or economic crisis, as the safeguard duty have negligible inflationary impact, since the domestic industry sources could successfully replace imports.
- Imposition of safeguard measure will not cause shortage in the domestic market, as most local mills are operating below their capacity due to imports.
- The recent expansion of the members of PULPAPEL will ensure domestic self-sufficiency for corrugating medium.

## **VI. FINDINGS AND CONCLUSIONS**

### **A. Volume of Imports**

#### **A.1 In Absolute Terms**

- Imports of corrugating medium significantly increased during the POI, the volume of imports grew by approximately 71%, (i.e. from about 75,000MT to 128,000MT in 2024).
- In 2023, imports went up to 99,671MT, a 115% increase from the 2022 level.
- In 2024, imports increased further by 28% compared to 2023, marking the highest level during the POI.
- The 2024 import volume is also 1.71 times higher than the 2019 pre-pandemic level.

#### **A.2 In Relative Terms**

- Share of imports represented a significant share proportionate to production during the POI
- In 2023, the ratio of imports to domestic production increased to almost 75%.
- Domestic production slightly increased by 2%, while imports grew at a significantly faster rate of 115%, outpacing the production growth.
- During the POI, the average share of imports relative to domestic production was 64%.

### **B. Serious Injury**

#### **B.1. Market Size and Share**

- Total apparent Philippine market was at peak in 2024. Between 2019 and 2024, consumption demand grew at an average annual rate of 12%.
- The increase in consumption demand during the POI, is equivalent to 61% of the 2019 level.

## **B.2. Domestic Sales Volume and Value**

- Sales volume recovered from the 2020 pandemic with an increase of 15% in 2021 and further by 9% in 2022 while sales value increased by 47% in 2021 and 22% in 2022.
- In 2023, domestic sales volume and value declined by 2% and 12%, respectively. In 2024, sales volume increased by 54% and value by 28 % when the market showed an expansion of demand.

## **B.3 Production**

### **a. Total Production**

- The industry's production volume declined by 24% in 2020 and increased by 17% and 40% in 2021 and 2022, respectively. In 2023, production slightly increased by less than 1%.
- In 2024 production increased by 27% following an increase in sales volume by 54%.

### **b. Capacity Utilization**

- Capacity utilization declined in 2020 by 24%. In 2021, capacity utilization increased by 17%. In 2022 and 2023, the industry purchased additional paper machine which produces high-strength corrugating medium.

### **c. Inventories**

- Finished goods inventory volume increased year-on-year during the POI by 10% in 2020, 106% in 2021, 89% in 2022 and 50% in 2023.
- Finished goods inventory value, likewise increased year-on-year by 3% in 2020, 258% in 2021, 102% in 2022, and 32% in 2023.

### **d. Cost to Produce**

- Production cost per unit increased year-on-year from 2019 to 2022 by 4%, 18% and 15%, respectively. In 2023, production cost declined by 8% and further declined by 11% in 2024.

## **B.4 Profitability**

### **a. Profit and Loss**

- Industry's gross profit declined by 74% and recorded its first operating loss in 2020. However, in 2021, the industry recovered from the pandemic, recording an increase in the gross profit by 378% and an increase in operating profit by 318%. While there is an increase in selling price in 2022, gross profit declined by 34% while operating profit declined by 73%.
- In 2023, the industry recorded a gross loss and an operating loss. In 2024, despite the increase in sales by 52% and cost of goods sold by 48%, the



industry still experienced gross loss since the industry generally reduced their domestic price.

#### **b. Return on Sales**

- Return on sales (ROS) based on operating profit has been declining during the POI except for 2021 which recorded its highest ROS. In 2023, there was a loss in sales, even higher than the recorded loss in sales in 2020 during the pandemic. In 2024, loss on sales continued to increase.

#### **B.5 Employment, Salaries and Wage**

- Employment in 2020 relatively decreased by 1.5% while it continued to increase year-on-year by 8% in 2021, further by 2% in 2022, and by 6% in 2023. In 2024, employment declined by 5%.

#### **B.6 Productivity**

The labor productivity decreased by 23% in 2020, increased by 8% in 2021 and increased by 36% in 2022. In 2023, labor productivity declined by 5%. In 2024, labor productivity improved by 34% due to increase in production even with a decrease of employment.

#### **B.7 Prices**

##### **a. Price Undercutting**

- There is price undercutting of 3.28% in 2023. The major sources in 2023 are Australia, Indonesia and Japan. For 2024, price undercutting was recorded in Australia.

##### **b. Price Depression**

- Price depression recorded in 2023 (14.78%) and 2024 (12.83%).

##### **c. Price Suppression**

- Price suppression of 1.62% was recorded in 2024

## **VII. CAUSATION**

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

- Locally produced recycled corrugating medium are like products to the imported product subject to the investigation.
- Volume of imported corrugating medium significantly increased during the POI both in absolute terms and relative to domestic production. Japan, Australia, Viet Nam, Indonesia, and PROC are the biggest suppliers during the POI. The increase in imports is recent, sudden, sharp and significant enough.

- Total apparent consumption for corrugating medium grew during the POI. The domestic industry experienced significant setbacks due to shrinking market share, underutilized production capacity, decline in employment, rising inventory levels, and financial losses. Although there was an improvement in sales and production in 2024, these gains were primarily achieved by reducing selling prices to remain competitive with imported products. In 2024, the industry has underutilized capacity of 64%. In terms of prices, price depression, suppression, and undercutting were recorded during 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 a 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”.*

The condition of competition shows that the market share of locally produced corrugating medium was essentially displaced during the investigation as the share of imports in the Philippine market significantly increased both in absolute terms and relative to domestic production during the period of investigation.

The industry suffered loss of market share, declining utilization rate, reduction in employment and incurred losses while imported products captured an increasing portion of the market. Despite a significant rise in overall consumption demand during the period, the domestic industry was unable to effectively leverage the market expansion.

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

Also, it has been established that the imposition of the provisional safeguard measure would be in the public interest. Users of corrugating medium will retain their option to choose between the local and imported ones, since imports will still be allowed. The provisional safeguard measures will only level the pricing between the domestic product and the landed cost of imports. Thus, the imposition of the provisional measure will not cause a shortage of corrugating medium in the domestic market. In the long run, it will turn out to benefit the Philippine economy as a whole if the domestic industry

is given the opportunity to implement adjustment measures to be competitive with its foreign counterparts.

## **b) Conclusion**

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 during the preliminary investigation. The increased volume of imports, both in absolute terms and relative to domestic production, was found to be the substantial cause of the overall impairment in the local industry's operation.

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

Considering the above premises, the Department hereby recommends a ₱3,438/MT provisional safeguard measures in the form of a cash bond on imported corrugating medium while the case is undergoing formal investigation by the Tariff Commission. The provisional measure shall be effective 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.

## **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. One of the members of PULPAPEL is currently undertaking or plans to undertake the projects and initiatives to help optimize existing assets, ensure the viability of upcoming investments, and improve competitiveness versus products for which safeguards are being sought.

From 2022 to 2023, it launched new grades for both domestic and export markets, corrugating medium with different basis weights. Continuous product development to respond to market requirements. Putting up additional baling stations in strategic locations nationwide. Baling stations as of December 2023 were recorded at 26 baling stations. The plan is to have a total of 40 baling stations by 2029.

The domestic industry likewise implemented various activities and projects to increase operation efficiency and optimize production, that is, 1) process optimization and improvement, and 2) yield improvement.

## **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**

On 16 September 2024, Fastmarket<sup>1</sup> reported a global oversupply in the packaging market, driven by new challenges. However, the report also highlighted growth prospects for containerboard, boxboard, kraft paper, and graphic papers. According to Fastmarket, "Global oversupply trends, particularly in Europe and Asia, are a result of overinvestment in capacity and demand shifts caused by the pandemic. Demand weakness in both regions is expected to keep markets in oversupply at least until 2027."

On 05 July 2024, an article titled "The Presence of Surplus Capacity in Corrugated Boxes Along with Industry Fragmentation Has Diminished the Sector's Overall Value"<sup>2</sup> featured insights from Mr. Dharmendra Pandya, President of the Federation of Corrugated Box Manufacturers (FCBM). In the article, Mr. Pandya discusses the challenges and opportunities facing India's corrugated box industry. According to him, the sector is dealing with significant challenges stemming from surplus production capacity. This oversupply has weakened pricing power, reducing the overall value of corrugated products. Furthermore, industry fragmentation has exacerbated these issues, creating additional hurdles for manufacturers. Despite these challenges, the paper-based corrugated box remains irreplaceable as a packaging material. Unlike alternatives such as biodegradable, compostable, or wood-based plastics, corrugated packaging offers unmatched advantages: 100% recyclability, foldability for efficient storage, variable wall thickness for cushioning and temperature control, Hygroscopic properties, and customizable flexibility. The FCBM President emphasized that the Indian corrugated box sector is encountering difficulties due to surplus capacity, with the main weakness being the excess supply capacity. This oversupply has resulted in decreased pricing leverage for corrugated products. The presence of surplus capacity along with industry fragmentation has diminished the sector's overall value.

<sup>1</sup> <https://www.fastmarkets.com/insights/key-factors-in-global-outlook-paper-packaging/>

<sup>2</sup> <https://thepulpandpapertimes.com/news/industry-news/the-presence-2081>



On 21 February 2023, ResourceWise published an article titled “How to navigate the overcapacity issue in the European Pulp and Paper Industry”<sup>3</sup> highlighting the ongoing challenges in the sector. Overcapacity, which arises when an industry’s production exceeds market demand, has significantly impacted the European pulp and paper industry, leading to the shutdown of 41 machine lines in 2023. This resulted in a total capacity reduction of 5.4 million tons, with the majority of closures occurring in the graphic papers segment. Germany experienced the highest number of shutdowns, underscoring a pronounced surplus in production capacity. According to the article, while these closures are aimed to address the overcapacity issue, it seems that these measures were not enough to counter the downward trajectory of demand that is expected to continue into 2024.

The global market for corrugated boxes, a sector heavily reliant on corrugating medium as a core component, demonstrated significant growth potential during the investigation period. In 2023, the global corrugated boxes market size was estimated at USD 162.82 billion, with projections indicating a Compound Annual Growth Rate (CAGR) of 5.1% from 2024 to 2030. A primary catalyst for this expansion is the burgeoning e-commerce industry, which necessitates robust and customizable packaging solutions for shipping products globally. Business-to-business (B2B) e-commerce sales, for instance, are anticipated to reach USD 36.0 trillion by 2026. <https://www.grandviewresearch.com/industry-analysis/corrugated-boxes-market-report>

Global consumption of cartons, boxes, and cases of corrugated paper or paperboard amounted to approximately 151 million tons in 2024, mirroring 2023 levels, and reflecting a historical average annual growth rate of +3.9% from 2013 to 2024. Despite this underlying growth trend, the global corrugated paper box market experienced a modest shrinkage in value, declining by -4.2% in 2024 compared to the previous year, and a more significant decrease of -10.2% against 2022 indices. The corrugating medium material segment itself is projected to grow with a CAGR of 4.8% from 2024 to 2030. <https://www.indexbox.io/blog/corrugated-paper-box-world-market-overview-2024-2/>

The corrugating medium industry has witnessed continuous technological innovations aimed at enhancing product strength, versatility, and sustainability. There is a pronounced industry shift towards sustainable practices, including increased utilization of recycled materials and efforts to reduce energy consumption during production. The advent of automated corrugating machines in the early 20th century revolutionized production, making corrugated boxes more affordable and efficient to manufacture. More recently, advanced machinery, such as the Boxmat series, offers fully automated production capabilities that maximize material utilization, significantly reduce operational costs, and enable real-time manufacturing of custom and non-standard sizes. <https://boxmat.tech/blog/machine-for-producing-corrugated-packaging-as-a-way-to-boost-small-and-medium-sized-enterprises/>

<sup>3</sup> <https://www.resourcewise.com/forest-products-blog/how-to-navigate-the-overcapacity-issue-in-the-european-pulp-and-paper-industry>



## IX. 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 13 February 2025, the Philippine Permanent Mission in Geneva was officially notified of the application for safeguard measures investigation on imported corrugating medium from various countries.

## X. DECISION

The Department of Trade and Industry, acting under Sections 7 and 8 of RA 8800, otherwise known as the Safeguard Measures Act and on the basis of the submissions of interested parties and pieces of evidence made available to the Department, the existence of a causal link between the increased imports of the products under consideration and the serious injury to the domestic industry has been established in the investigation.

The existence of critical circumstances on imported corrugating medium was established which warrants the imposition of a provisional safeguard measure in the form of a cash bond equivalent to ₱3,438/MT covering products with AHTN Code 4805.19.10, 4805.19.90, and 4805.12.00, 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 of an Order.

The case records will then 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. 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.

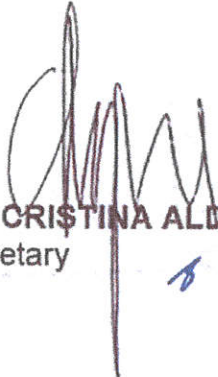
However, imports originating from member countries which cannot be considered a substantial cause of serious injury or threat thereof as well as developing countries covered by Rule 8.8 of the IRR of RA 8800 shall not be subject to the provisional safeguard measure. Attached as Annex D is the list of said developing countries.

Thus, importers of corrugating medium from a country that is exempt from the provisional 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. Further, CO's issued to claim preferential tariffs is sufficient proof of origin in this case to meet the requirements for exemption from the provisional safeguard duty.

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, RCEP and AHKFTA shall follow the notification and/or consultation requirements provided under the said FTAs.

SO ORDERED.

01 August 2025

  
**MA. CRISTINA ALDEGUER-ROQUE** *ak*  
Secretary *b* *cy*

## ANNEX A

## LIST OF EXPORTERS

	Exporter	
1	KYOKUYO CO., LTD.	Japan
2	VISY TRADING SINGAPORE PTE LTD.	Australia
3	SIAM KRAFT INDUSTRY CO. LTD	Thailand
4	KYOKUYO COMPANY LIMITED	Japan
5	VINA KRAFT PAPER CO., LTD	Vietnam
6	MARUBENI CORPORATION	Japan
7	UNION PAPER MILLS BR LLC	United Arab Emirates
8	PT INDAH KIAT PULP & PAPER TBK	Indonesia
9	RENGO CO., LTD.	Japan
10	HUNG THINH PHAT EXPORT IMPORT AND TRADING CO LTD	Vietnam
11	BILLERUDKORSNAS AB	Sweden
12	SUN FAVORITE CO., LTD	Taiwan
13	SAIGON PAPER CORPORATION	Vietnam
14	PASCORP PAPER INDUSTRIES BERHAD	Malaysia
15	KORCO AB	Russia
16	ITOCHU PULP AND PAPER CORP.	Japan
17	PT. INDAH KIAT PULP & PAPER TBK	Indonesia
18	OPAL PACKAGING AUSTRALIA PL	Australia
19	CHUN YUAN TRADING LIMITED	Taiwan
20	PT. PINDO DELI PULP AND PAPER	Indonesia
21	KWOK FUNG SINO HK ENTERPRISE LIMITED	Indonesia
22	JAPAN PULM AND PAPER COMPANY LIMITED	Japan
23	KOKUSAI PULP AND PAPER CO., LTD	Japan
24	TRUONG PHU CONSTRUCTION TRANSPORT	Vietnam
25	YELIM CORPORATION	South Korea
26	ELITE KRAFT PAPER CO., LTD	Thailand
27	ASIA HONOUR PAPER INDUSTRIES (M) SDN BHD	Malaysia
28	DONG HAI JOINT STOCK COMPANY	Vietnam
29	SOLTIS KAGIT DIS TIC AS	Turkey
30	C.A.S. PAPER MILL COMPANY LIMITED	Thailand
31	CHENG LOONG BINH DUONG PAPER CO. LTD	PROC
32	PT PABRIK KERTAS JIWI KIMIA	Indonesia
33	PT PELITA CENGKARENG PAPER	Indonesia
34	JOP CO, LTD.	Japan
35	MONDI PAPER SALES GMBH	Finland
36	PT PINDO DELI PULP AND PAPER M	Indonesia
37	PT. SUPREME PAPER SOLUTION	Indonesia
38	PT MOUNT DREAMS INDONESIA	Indonesia
39	ELOF HANSSON TRADE AB	Finland
40	THUAN AN PRODUCTION COMPANY LIMITED	Vietnam

41	STORA ENSO OYJ	Finland
42	MACRO-LITE KOREA CORPORATION	South Korea
43	CLIENTELE CO., LTD.	South Korea
44	GS PAPERBOARD AND PACKAGING SDN BHD	Malaysia
45	SLP CO., LTD.	South Korea
46	EUROPCELL GMBH	France
47	YIWU YAXIYA IMP AND EXP CO LTD	PROC
48	BILLERUD SWEDEN AB	Sweden
49	PT ADIPRIMA SURAPRINTA DESA	Indonesia
50	PT. PELITA CENGKARENG PAPER	Indonesia
51	AMERICAN PAPER EXPORT INC.	Canada
52	MITSUMI BUSSAN PACKAGING CO LTD	Japan
53	ROLL AND REAM CORPORATION CO LTD	Thailand
54	PT ASPEX KUMBONG WISMA KORINDO	Indonesia
55	SAPPI PAPIER HOLDING GMBH	South Africa
56	PT EKAMAS FORTUNA	Indonesia
57	P.T INDAH KIAT PULP & PAPER TBK	Indonesia
58	PT. JAYA KERTAS	Indonesia
59	SINO PAPER LIMITED	Vietnam
60	FIGROS INTERNATIONAL B.V.	Netherlands
61	GRAPHIC PACKAGING INTERNATIONAL	United States
62	SUC TRE COMPANY LIMITED	Vietnam
63	PT. SURABAYA MEKABOX JL. RAYA	Indonesia
64	P.T. FAJAR SURYA WISESA TBK	Indonesia
65	NILS TROEDSSON PAPER CO	Sweden
66	PT SURABAYA MEKABOX	Indonesia
67	PT MEGA SURYA ERATAMA	Indonesia
68	CANADIAN FIBER RESOURCES SLU	Spain
69	LIONS PAPER AND BOARD (M) SDN BHD	Indonesia
70	VISY PAPER	Australia
71	PT. ADIPRIMA SURAPRINTA	Indonesia
72	CHENG YANG PAPER MILL CO., LTD	Vietnam
73	PT. PABRIK KERTAS TJIWI KIMIA TBK.	Indonesia
74	TROEDSSON PAPER CO	Sweden
75	MALAYSIAN NEWSPRINT INDUSTRIES	Malaysia
76	GUANGZHOU WANHUI TRADING CO LTD	PROC
77	JWC LTD	South Korea
78	GUANGDONG XINGHUOYUNTU TRADING CO	PROC
79	PT. STAR PAPER SUPPLY	Indonesia
80	PT FAJAR SURYA WISESA TBK	Indonesia
81	CAS PAPER MILL COMPANY LIMITED	Thailand
82	PAPYLEX CO., LTD.	Japan
83	TIANJIN GOLDEN BRIDGE WELDING MATERIALS GROUP INTERNATIONAL TRADING CO.,LTD.	PROC
84	OVOL JAPAN PULP & PAPER CO., L	Japan
85	WENZHOU ANYO IMPORT & EXPORT CO LTD	PROC
86	VANGMAY PAPERS PRIVATE LIMITED	India



87	MIZA CORPORATION	Vietnam
88	WILFRIED HEINZEL AG	Austria
89	PT PELITA CENGKARENG PAPER JL	Indonesia
90	PT MEKABOX INTERNATIONAL	Indonesia
91	YIWU YINYI TRADING LIMITED	PROC
92	NINGBO ZHONGFEI SUPPLY CHAIN MANAGEMENT CO., LTD.	PROC
93	GUANGZHOU RENKE INTERNATIONAL TRADE	PROC
94	YIWU HARPY IMPORT AND EXPORT CO	PROC
95	XIAMEN YUSHUNDA TRADE CO LTD	PROC
96	SHAOXING LEOPARD HOUSEHOLD TEXTILE CO.,LTD.	PROC
97	HM TRADING CORPORATION	South Korea
98	YIWU JESSE TRADE CO LTD	PROC
99	SHENZHEN RUIANXIN IMPORT AND	PROC
100	SHENZHEN QIFA TRADE CO., LTD.	PROC
101	NANAN CITY NAN SHANG SUPPLY CHAIN	PROC
102	INTER-PAPIER-HANDELSGESELLSCHAFT	Germany
103	DALIAN MAIN RESOURCE IMPORT&EXPORT CO., LTD.	PROC
104	WUFENG(XIAMEN) PETROCHEMICAL CO LTD	PROC
105	POONGSAN ELECTRIC CO., LTD.	South Korea
106	HANGZHOU GLOBAL JET ECOMMERCE CO .,	PROC
107	ZHEJIANG SIRI PACKAGING CO., LTD	PROC
108	SHENZHEN SHENRUIXING TRADING CO LTD	PROC
109	QINGDAO LAF PACKAGING CO LTD	PROC
110	SHENZHEN FULING IMPORT AND EXPORT	PROC
111	YIWU ZHIHONG IMPORT AND EXPORT CO.,	PROC
112	RUIJIN WENJIN INDUSTRIAL TECHNOLOGY	PROC
113	PT. ECO PAPER INDONESIA	Indonesia
114	SHENZHEN XINSHANGQI TRADING CO.LTD	PROC
115	SHENZHEN HCC IMP&EXP CO., LTD.	PROC
116	FOSHAN WISE STAR NEW MATERIAL CO., LTD	PROC
117	WENZHOU ZHONGYING INTERNATIONAL FREIGHT FORWADING CO., LTD	PROC
118	TAISHAN FOKUNG TRADING CO., LTD.	PROC
119	QINGDAO LET FLEXITANK CO., LTD	PROC
120	QUANZHOU SAFE TRADE CO LTD	PROC
121	NINGBO SALVADOR IMP. & EXP. CO., LTD.	PROC
122	ELEANOR GROUP LIMITED	PROC
123	SHENZHEN GUI HAO CHENG TRADE CO LTD	PROC
124	ZHUJI SANYI IMPORT AND EXPORT CO., LTD.	PROC
125	SHENZHEN YISHANG IMPORT AND EXPORT	PROC
126	SHANTOU DEFU PACKING MATERIALS.,LTD	PROC
127	SHANTOU NOBELZEN TRADING CO.,LTD	PROC
128	SIMPASSIC GLASSWARE COMPANY LIMITED	PROC
129	HANGZHOU FUYANG YIXUAN TECHNOLOGY	PROC
130	YIWU DUHAI IMPORT&EXPORT CO LIMITED	PROC
131	CHANGXING JIEFAN TEXTILE CO.,LTD.	PROC
132	XIAMEN YONGTAIMAN IMPORT AND EXPORT	PROC

133	TONGLU YICHENG TRADING CO., LTD.	PROC
134	SHENZHEN DIDA ELECTRONIC COMMERCE	PROC
135	SHANDONG ROPE TECHNOLOGY CO., LTD.	PROC
136	SHAOXING DENGSHUO TEXTILE CO.,LTD	PROC
137	LIANGSHAN JINRONG TEXTILE CO., LTD.	PROC
138	SHEN ZHEN GUI HAO CHENG TRADE CO	PROC
139	CHANGXING ERHAOSHAN TEXTILE CO LTD	PROC
140	SHANGHAI MACHINERY INTERNATIONAL TRADING CORP., LTD.	PROC
141	YIWU SAILUO TRADING CO., LTD.	PROC
142	DONGGUAN ZHENGYANG IMPORT AND	PROC
143	GUANGZHOU FU DE LU TRADING CO LTD	PROC
144	YIWU SHIRLEY IMPORT & EXPORT CO LTD	PROC
145	SHENZHEN WEIDACHENG IMPORT & EXPORT	PROC
146	CLENERGY TECHNOLOGY CO., LTD.	PROC
147	JIAXING GUANGJIE TECHNOLOGY CO LTD	PROC
148	DONGGUAN XIONGYI TRADE CO LTD	PROC
149	YIWU LUHUTANG IMPORT AND EXPORT CO.	PROC
150	DONGGUAN RUIDATONG TRADING CO LTD	PROC
151	XIAMEN GLORY LILY FURNITURE CO.,LTD	PROC
152	SHENZHEN SHENDASHENG IMPORT&EXPORT	PROC
153	YINGKOU ZEDA TECHNOLOGY CO., LTD	PROC
154	QINGDAO HENGXIN PLASTIC CO., LTD	PROC
155	DONGGUAN FOROBO AUTOMATION TECHNOLOGY CO., LTD	PROC
156	ICP CONSTRUCTION	United States
157	HANGZHOU H.D.L. NEW MATERIALS CO., LTD	PROC
158	XIAMEN EASY BUY IMPORT & EXPORT	PROC
159	SHENZHEN YIHAODI IMPORT AND EXPORT CO LTD	PROC
160	GUANGZHOU WANON ELECTRIC AND MACHINE CO., LTD.	PROC
161	SHENZHEN JIYOU LONGHUI IMPORT AND EXPORT CO., LTD	PROC
162	NANTONG DEEDA TEXTILE CO., LTD.	PROC
163	HANGZHOU JIEDE TECHNOLOGY	PROC
164	YIWU HUIXIE IMPORT & EXPORT	PROC
165	GARLAND SURFACE PROTECTION INC	United States
166	HENAN DAZHI PAPER MAKING	PROC
167	XIAMEN HEYDAY IMPORT&EXPORT CO.LTD	PROC
168	YIWU ZHIPING IMPORT&EXPORT CO.,LTD	PROC
169	SHENZHEN IDEAL FRIENDSHIP IMPORT	PROC
170	DEBRAHS INTERNATIONAL COMPANY LIMITED	PROC
171	QINGDAO LET PACKAGING CO., LTD	PROC
172	SHENZHEN IDEAL FRIENDSHIP IMPORT & EXPORT CO., LTD.	PROC
173	JF HILLEBRAND CHINA CO LTD	PROC
174	SHIPSTAR HONGKONG LIMITED	PROC
175	QINGDAO BLT PACKING INDUSTRIAL	PROC
176	SHENZHEN ZEDA TRADING CO LTD	PROC
177	QINGDAO ZHONGXIANG PACKAGING CO	PROC
178	QINGDAO SAFT PACKAGE CO., LTD.	PROC

179	QINGDAO GLOBAL FLEXITANK	PROC
180	CANTOLLI MARKETING SDN BHD.	Malaysia
181	EVER PROSPEROUS INT'L CO., LTD	Taiwan
182	FEILI PUMP VO., LTD	PROC
183	KOVAX CORP.	Japan
184	SILICONIX ELECTRONICS CO.,LTD	Taiwan
185	HOKUETSU SHOJI CO LTD	Japan
186	PIVOT TAIWAN DESIGN LTD	Taiwan
187	PRYSMIAN CAVI E SISTEMI ITALIA SRL	Italy
188	MURATA MANUFACTURING CO., LTD.	Japan
189	LONGDA PACKAGING PRODUCTS CO. LTD	PROC
190	ETERNITY INTL. GROUP LIMITED	PROC
191	MICROCHIP TECHNOLOGY TH CO. LTD	Thailand
192	NIPPON CERAMIC CO.,LTD	Japan
193	COLE-PARMER INSTRUMENT COMPANY	United States
194	SANYO DENKI CO., LTD.	Japan
195	BLUEBELL INTERNATIONAL	United States
196	SHENZHEN GUANLIAN YUANYANG SCM	PROC
197	JUSDA INTERNATIONAL LTD	Hong Kong
198	SIEMENS AG	Germany
199	HAKKO PRODUCTS PTE LTD	Singapore
200	SHIMANO SINGAPORE PTE LTD	Singapore
201	MISUMI SOUTH EAST ASIA PTE LTD	Singapore

## ANNEX B

## LIST OF IMPORTERS

	Importer
1	CORBOX CORPORATION
2	TWINPACK CONTAINER CORPORATION
3	SC BROTHERS PACKAGING CORP
4	PHILIPPINE INTERNATIONAL TRADING
5	UNITED PULP AND PAPER CO., INC
6	TRIPLE STAR PACKAGING CORP.
7	WELL-PACK CONTAINER CORP.
8	JENNSON PACKAGING CORP.
9	MIESTO INTERNATIONAL FOODS CORP
10	PRECISION CRESTEC INC.
11	STANDARD CORRUGATED BOX INC
12	PRINT4U INC
13	MINDANAO CORRUGATED FIBREBOARD INC
14	GOODYEAR CONTAINER CORP.
15	PRIMELINE PAPER SALES INC
16	818 EAST ASIA GROUP CORP.
17	REPUBLIC CORRUGATED CARTONS & ALCOH
18	GLOBAL PACKAGING AND LOGISTIC
19	CENTRAL CORRUGATED BOX CORPORATION
20	MALINTA CORRUGATED BOXES
21	DAVAO FIBREBOARD PACKAGING PLANT IN
22	GREENSTONE PACKAGING CORP.
23	VALENZUELA PACKAGING CONTAINER CORP
24	TIMELESS TRADING NON SPECIALIZED
25	DURABOARD PACKAGING CORPORATION
26	STENIEL MINDANAO PACKAGING CORP
27	SUPERIOR PACKAGING CORPORATION
28	FORMS INTL ENTERPRISES CORP
29	DATRIMA PACKAGING & INDUSTRIAL CORP
30	UNIFIBER MULTISALES CORPORATION
31	UNITED CONTAINER CORPORATION
32	DOLE PHILIPPINES INC.
33	GOLDEN DRAGON INDUSTRIAL CORP.
34	WILLIAMS COMMERCIAL CO INC
35	SANITARY CARE PRODUCTS ASIA INC.
36	CONSTANT PACKAGING CORPORATION
37	CENTURIAN INTERNATIONAL CORP
38	MASTER CORRUGATED BOARDMAKERS INC
39	ABL PACKAGING CONTAINER CORPORATION
40	ALLIED CORRUGATOR CORPORATION
41	OCEANLINK CONSUMER GOODS TRADING
42	PRINT UNIVERSE GRAPHICS & PACKAGING



43	SP MAMPLASAN PACKAGING CORPORATION
44	KOU FU COLOR PRINTING CORP.
45	CROSSPOINT PAPER INC.
46	BLK TRADING NON-SPECIALIZED WHOLESAL
47	TOUCH PACKAGING INC.
48	MANONE NON SPECIALIZED WHOLESALE
49	PPMC PACKAGING MFG CORPORATION
50	STARBRIGHT OFFICE DEPOT INC.
51	TRIONY CORP
52	BASIC BOX INDUSTRIES CORP.
53	VENTURE360 PAPER PRODUCTS CO.
54	LAGUNA SOUTHWOODS PRODUCTS INC
55	LAM HONG PAPER PRODUCTS CO. INC.
56	TRIPLE GD CONSUMER GOODS TRADING
57	PRIME PACIFIC CONSUMER GOODS TRDNG
58	TRI-STAR PAPER PRODUCTS INC.
59	DAVAO PACKAGING CORPORATION
60	ADVANCE PAPER CORPORATION
61	FORGEMS MARKETING CO. INC.
62	P1 PAPER CORPORATION
63	GATCHA NON SPECIALIZED WHOLESALE
64	SD PRINTSHOP
65	ASIAN STATIONERY CORP
66	GONZREY CONSUMER GOODS TRADING
67	TRIPLEX ENTERPRISES INC.
68	ARMAK TAPE CORPORATION
69	METRO ACE INNOVPLAS CORP.
70	LIMKETKAI MANUFACTURING CORPORATION
71	METER KING INC
72	METRO PAPER CONVERTER PHILS CORP.
73	PIONEER FLOAT GLASS MANUFACTURING
74	C.E.V. CONSUMER GOODS TRADING
75	ROCA MERCHANDISING
76	MEGA FASTWORK INTERNATIONAL CORP.
77	SOUTHBASE TRADING
78	OPENSEAS INC
79	TOWERSTONES INCORPORATED
80	SUMMIT IKIGAI TRADING OPC
81	HERLICH TRADING
82	A1 PLUS MULTINATIONAL PACKAGING INC
83	FLOORSTONE INC
84	SMARTWAY SOLUTIONS COMPANY LIMITED
85	FOURWARD TRADING
86	JF HILLEBRAND PHILIPPINES INC.
87	DE VAM IMPEX CORPORATION
88	BHENZ HARDWARE TRADING

89	JFORD IMPORT & EXPORT TRADING
90	MORK TRADING INCORPORATED
91	ZJM TRADING CORPORATION
92	ARCHEMICALS CORP.
93	GLOBAL FLEXI PHILIPPINES ENTERPRISE
94	HARMONY INDUSTRIAL TRADING
95	MEHITABEL INC.
96	PHILIPPINE INTERNATIONAL DEV'T INC.
97	C & J SPECIALTY PAPERS PHILIPPINES
98	NERUBIAN CONSUMER GOODS TRADING
99	SUMMIT PACIFIC PHILIPPINES INC.
100	CIRTEK ELECTRONICS CORPORATION
101	SHIN-ETSU MAGNETICS PHILIPPINES INC
102	PIVOT-HAWKS MANILA INC
103	SUBSEATECH MANUFACTURING AND TRADING
104	PHILIPPINE MANUFACTURING CO. OF
105	NESTLE CABUYAO FACTORY
106	MICROSEMI SEMICONDUCTORS MANILA
107	CHEMOSCIENCE PHILS. INC.
108	SANYO DENKI PHILIPPINES INC.
109	BLUEBELL CORPORATION OF THE PHILS
110	RENRENLE CORPORATION
111	H.R.D. SINGAPORE PTE LTD
112	SIEMENS POWER OPERATIONS INC.
113	TERADYNE PHILIPPINES LTD.
114	SHIMANO (PHILIPPINES) INC.
115	NIKKOSHI PHILIPPINES CORPORATION

**ANNEX C**

<b>ASSOCIATION &amp; CONSUMER GROUPS</b>	
1	CEBU CHAMBER OF COMMERCE & INDUSTRY
2	COALITION FOR CONSUMER PROTECTION & WELFARE, INC. (CCPW)
3	CITIZENWATCH PHILIPPINES
4	CONSUMER WELFARE OFFICE OF PARAÑAQUE
5	CONSUMERS RIGHT FOR ECONOMIC WELFARE (CREW)
6	THE CONSUMERS UNION OF THE PHILIPPINES (CUP)
7	ECOWASTE COALITION
8	FEDERATION OF FILIPINO-CHINESE CHAMBERS OF COMMERCE AND INDUSTRY, INC.
9	FEDERATION OF PHILIPPINE INDUSTRIES, INC.
10	THE JAPANESE CHAMBER OF COMMERCE AND INDUSTRY OF THE PHILIPPINES, INC.
11	NATIONAL CONSUMER COUNCIL OF THE PHILIPPINES
12	PHILIPPINE CHAMBER OF COMMERCE AND INDUSTRY
13	PRIVILEGED, EMPOWERED AND RESPONSIVE CONSUMER SOCIETY, INC. (PERCS)
14	NATIONWIDE ASSOCIATION OF CONSUMERS, INC. (NACI)
15	PACKAGING INSTITUTE OF THE PHILIPPINES
16	PHILIPPINE HOMESTYLE AND HOLIDAY DÉCOR ASSOCIATION INC.
17	DOOR-TO-DOOR CONSOLIDATORS ASSOCIATION OF THE PHILIPPINES
18	PHILIPPINE ALLIANCE FOR RECYCLING AND MATERIALS SUSTAINABILITY
19	SOLID WASTE MANAGEMENT ASSOCIATION OF THE PHILIPPINES

## ANNEX D

**LIST OF DEVELOPING COUNTRIES AND SEPARATE CUSTOMS TERRITORIES  
EXCLUDED FROM THE IMPOSITION OF THE PROVISIONAL SAFEGUARD MEASURE  
ON IMPORTED CORRUGATING MEDIUM**

<b>East &amp; Southern Africa</b>	<b>West Africa</b>	<b>North Africa</b>	<b>South Asia</b>
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		
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
Kazakhstan	Syrian Arab Rep.	Brazil	Hong Kong, China
Kyrgyz Republic	United Arab Emirates	British Virgin Is.	Johnston Is.
Macedonia, FYR	West Bank & Gaza	Cayman Is.	Kiribati
Malta	Yemen, Rep.	Colombia	Korea, Dem. Rep.
Moldova		Costa Rica	Lao PDR
Romania		Cuba	Macau, China
Russian Federation		Dominica	Malaysia
Tajikistan		Dominican Rep.	Marshall Islands
Turkiye		Ecuador	Micronesia, Fed. Sts.
Turkmenistan		El Salvador	Midway Is.
Ukraine		Falkland Is. (Malvinas)	Mongolia
Uzbekistan		French Guiana	Myanmar
		Grenada	Nauru
		Guadeloupe	New Caledonia
		Guatemala	Niue
		Guyana	Northern Marianas Is.
		Haiti	Palau
		Honduras	Papua New Guinea
		Jamaica	Pitcairn Is.
		Martinique	Samoa
		Mexico	Singapore
		Montserrat	Solomon Islands
		Netherlands Antilles	Chinese Taipei
		Nicaragua	Tokelau
		Norfolk Is.	Thailand
		Panama	Tonga
		Paraguay	Tuvalu
		Peru	Vanuatu
		Puerto Rico	Wake Is.
		St. Helena	Wallis & Futuna Is.
		St. Kitts & Nevis	
		St. Lucia	
		St. Pierre & Miquelon	
		St. Vincent & the Grenadines	
		Suriname	
		Trinidad & Tobago	
		Turks & Caicos Is.	
		Uruguay	
		US Virgin Is.	
		Venezuela	