

DEPARTMENT OF TRADE AND INDUSTRY

SAFEGUARD MEASURES CASE NAME:

APPLICATION OF STEEL INDUSTRY

PUBLIC VERSION

SGM CASE NO. : SG03-2020

DATE : 15 June 2020

**REPORT ON THE INITIATION OF A
PRELIMINARY INVESTIGATION ON THE
APPLICATION FOR SAFEGUARD
MEASURES ON THE IMPORTATION OF
ALUMINUM ZINC (GL) SHEETS,
COILS AND STRIPS
FROM VARIOUS COUNTRIES**

REPORT ON THE INITIATION OF A PRELIMINARY INVESTIGATION ON THE APPLICATION FOR SAFEGUARD MEASURES ON THE IMPORTATION OF ALUMINUM ZINC (GL) SHEETS, COILS AND STRIPS FROM VARIOUS COUNTRIES

I. INTRODUCTION

This is an evaluation report of the evidence submitted by the steel industry represented by Sonic Steel Industries Inc. (SSI). The industry has filed an application for the imposition of safeguard measures on the importation of Aluminum Zinc (GL) sheets, coils and strips from various countries.

Sonic Steel Industries Inc. alleged that serious injury to the domestic industry was caused by the increased import volume of the said products which are classified under ASEAN Harmonized Tariff Nomenclature (AHTN) Codes 7210.61.11, 7210.61.19, 7210.61.91, 7210.61.92, 7210.61.99, 7210.69.11, 7210.69.19, 7210.69.91, 7210.69.99 and GL strips falling under AHTN Codes 7212.50.19, 7212.50.23, 7212.50.24, 7212.50.29, 7212.50.93, 7212.50.94, 7212.50.99.

For easy reference, the term "Aluminum Zinc (GL)" will be used in the report which will cover sheets, coils and strips.

A. The Philippine Industry's Petition

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

Section 4 (f) of RA 8800 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*".

Sonic Steel Industries Incorporated operates in the Primary Metal Manufacturing sector. Producing both zinc coated galvanized and GL coated steel sheets. The main plant is strategically located in the highly industrialized province of Cavite. Sonic Steel sought new technology to reduce cost and further improve the quality to internationally accepted standards. They are also equipped with value added services such as tension leveling, shearing, slitting, recoiling and roll forming. Sonic Steel is consistently engaging in international markets such as Asia Pacific, Middle East, Africa and the South America.

Pursuant to Rule 4.1 cited above, Sonic Steel Industries meets the legal requirement to be considered a domestic industry since it is the sole manufacturer and accounts for 100% share of the total domestic production of the product under investigation.

A.2. Importers and Exporters of Aluminum Zinc (GL) sheets, coils and strips

Sonic Steel Industries Inc. provided lists of importers and exporters of Aluminum Zinc (GL) during the period of the investigation. Further, an additional list of importers and exporters have been identified from Bureau of Customs' Single Administrative Document – Import Entry and Internal Revenue Document (SAD-IEIRD). These lists are attached as Annexes A and B.

A.3. Industry Overview

The Philippine iron and steel industry is a critical component in achieving inclusive economic growth and sustainable development. The industry provides necessary inputs for the construction of infrastructure, power generation and distribution, transportation facilities and vehicles, manufacturing machinery and equipment – all of which are vital for a nation's long-term growth. The industry's outputs are utilized by both commercial and industrial enterprises, such as electronics, appliance manufacturing, and shipbuilding, among others.

The Philippine iron and steel industry aims to contribute to the country's sustainable development by manufacturing world-class products for the industry and society, and sees itself as a major producer of high-quality and safe steel products for domestic users by 2030. This is achieved when the industry is able to supply 70% of the tonnage of required apparent steel consumption.¹

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

B.1 Examination of Evidence to Justify Initiation of Investigation

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

B.2 Documents Received/Gathered by DTI

On 05 September 2019, DTI received an application from Sonic Steel Industries, Inc. for the initiation of a safeguard measures investigation against the importation of aluminum zinc (GL) sheets, coils and strips from various countries.

DTI evaluated the initial document and informed Sonic Steel to submit additional data. On 18 November 2019 and 04 February 2020, additional documents were submitted by Sonic Steel, i.e. revised tariff lines for the imported products, adjustment plan, among others.

¹ <http://industry.gov.ph/industry/iron-and-steel/>

II. THE PROCESS OF INITIATION OF INVESTIGATION

A. Acceptance of the Petition

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

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

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

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

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

On 10 June 2020, the Secretary officially informed the Philippine steel industry that their petition has been accepted as a properly documented application.

B. Decision to Initiate

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

III. SAFEGUARD MEASURES: PARAMETERS FOR EVALUATION

A. The Concept and Purpose of Safeguards

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

B. Relevant Provisions on Initiation of Investigation

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

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

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

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

IV. THE EVIDENCE PRESENTED BY THE INDUSTRY

A. The Product Subject 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 aluminum zinc (GL) and the locally produced GL is required to determine if these are like or directly competitive products.

A. Domestic Product

Aluminum Zinc (GL) steel is essentially 55% Aluminum and 45% Zinc coated steel sheets. An Aluminum-Zinc Coated sheet is a galvanizing breakthrough that significantly lengthens the service life of galvanized steel.

The domestic brand name is Superlume (LA, VM, Alphalume, Ultra, Plus, mega, Excel, Max, Dynamic, Super Premium, Extreme, Ulimite, Magnum, Optima, Superior). The combined metallic composition of Aluminum and Zinc gives metallic Superlume superior protection against corrosion and heat resistance.

A.1. Product Specification

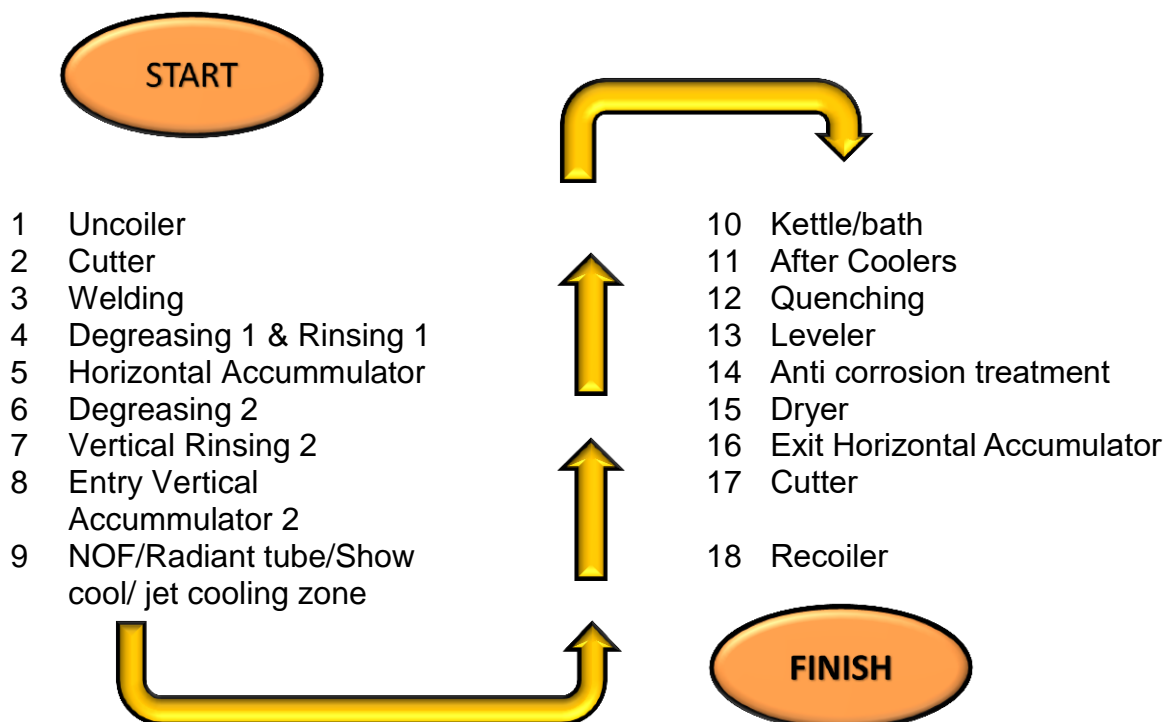
Form: Coils, Flat Sheets, Profiled Sheets and Strips

Physical Dimensions

Thickness: Sheets & Coils	0.20 mm to 1.20 mm
Thickness: Strips	Not exceeding 0.6mm
Width	Not exceeding 1000mm
Sheet Lengths*	1830 mm (6ft) to 3660 mm (12ft)
Hardness	Fullhard / Annealed
Surface Finish	Regular Spring
Surface treatment	Chemical Passivated or Resin Coated

Source: Domestic Industry

A.2. Production Process



Source: Domestic Industry

A.3. Uses and Applications

Aluminum-Zinc produced by the Philippine steel industry is used in construction, i.e. light gauges for roofing and sidings, flashings, wall cladding, gutters, curtain walls, hip cap, straps, etc. Heavy gauges are utilized for floor decks and purlins.

A.1.4. Distribution Channel



Source: Domestic Industry

A.2. Imported Product

A.2.1 Tariff Schedule of Aluminum Zinc (GL) (The additional AHTN codes should also have tariff schedules if to be included)

AHTN	Description	AANZFTA		ACFTA		AIFTA		AJCEPA		AFTA		PJEP A		ATIGA	
		2014-2020				2014-2020		2014-2018		2003		2014-2018			
7210	Flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, clad, plated or coated														
721061	---Containing by weight less than 0.6% of carbon					72106990		72106990		72106990		72106990			0
72106111	----Of a thickness not exceeding 1.2 mm														
72106119	----Other														
72106191	----Of a thickness not exceeding 1.2 mm														
72106192	----Other, corrugated														
72106199	--- Other	72106190	10		72106190			72106190		72106190		72106190			
	--Other														
721069	---Containing by weight less than 0.6% of carbon														
72106911	----Of a thickness not exceeding 1.2 mm														
72106991	----Of a thickness not exceeding 1.2 mm														
72106919	----Other														
72106999	----Other														

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 Favoured Nation
AANZFTA	ASEAN-Australia/New Zealand Free Trade Agreement
ACFTA	ASEAN-China Free Trade Agreement
AJCEPA	ASEAN-Japan Comprehensive Economic Partnership Agreement
AKFTA	ASEAN-Korea Free Trade Agreement
PJEP A	Philippines-Japan Economic Partnership Agreement

A.2.3. Product Description under the Tariff and Customs Code 7212 (Aluminum Zinc Strips)

A/HTN	Description	AANZFTA		AIFTA		AJCEPA					PJEPA					ATIGA			
		2017-2020				2016-2018		2019-2022											
7212	Flat-rolled products of iron or non-alloy steel, of a width of less than 60 mm, clad, plated or coated																		
72125019	---Other --Plated or coated with aluminum zinc alloys																		
72125023	---Hoop and strip, of a width not exceeding 25 mm																		
72125024	---Other hoop and strip; universal plates																		
72125029	---Other	72125020B	5	72125020B	6	5	72125020B	7	5	3	2	0	72125020B	5	4	2	1	0	
72125093	---Hoop and strip of a width not exceeding 25 mm																		
72125094	---Other hoop and strip; universal plates																		
72125099	---Other	72125020B	5	72125020B	6	5	72125020B	7	5	3	2	0	72125020B						

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 Favoured Nation
AANZFTA	ASEAN-Australia/New Zealand Free Trade Agreement
ACFTA	ASEAN-China Free Trade Agreement
AJCEPA	ASEAN-Japan Comprehensive Economic Partnership Agreement
AKFTA	ASEAN-Korea Free Trade Agreement
PJEPA	Philippines-Japan Economic Partnership Agreement

C. Comparison between Imported and Domestic Product

Locally produced and imported aluminum zinc (GL) are like products because of the subsequent characteristics:

- i. Fall under the same tariff classification
- ii. Same end use and applications
- iii. Same physical characteristics
- iv. Use similar methods of manufacture and distribution channel

D. Determination of Increased Volume of Imports

Rule 7.2 a of the IRRs of RA 8800 provides that “the Secretary shall essentially determine whether there has been an increase in the volume of imports, in particular, either in absolute terms or relative to production in the Philippines, The Secretary shall evaluate import data for the last five (5) years preceding the application to substantiate claims of significant increase in import volume. Provided, however, that in some cases, the period may be adjusted to cover a shorter period, if necessary, in order to take into account other considerations that will ensure the appropriateness of the chosen period, e.g. seasonality of product, availability of data or facility in verification of data.”

E. Period of Investigation (POI)

The POI covered imports of aluminum zinc (GL) which entered the Philippine market from 2014 to 2018. The said data were updated until November 2019. All import data were sourced from the Bureau of Customs.

In the analysis of volume, DTI excluded the importations made by the domestic industry to determine whether the increased imports are the substantial cause of the serious injury to the local industry. Likewise, industry performance indicators relevant to the overall operation of the industry were evaluated for the same period.

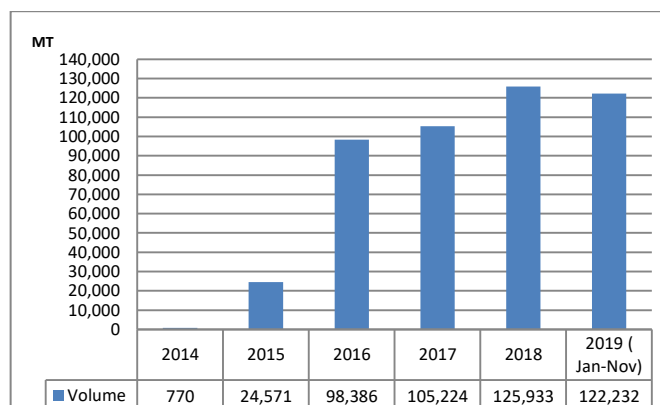
F. Volume of Imports

1. Absolute Terms

a. Import Volume – Aluminum Zinc (GL) sheets, coils and strips

Table 1: Import Volume of Aluminum Zinc (GL) sheets, coils and strips - 2014 – November 2019) in MT

Year	2014	2015	2016	2017	2018	2019 (Jan – Nov)
Volume	770	24,571	98,386	105,224	125,933	122,232
Absolute	-	23,800	73,815	6,837	20,710	-
Growth	-	3,090%	300%	7%	20%	-



Source: Bureau of Customs (SAD- IEIRD)

Imported aluminum zinc (GL) continuously increased during the POI i.e. from about 770MT in 2014 to 126,000MT in 2018.

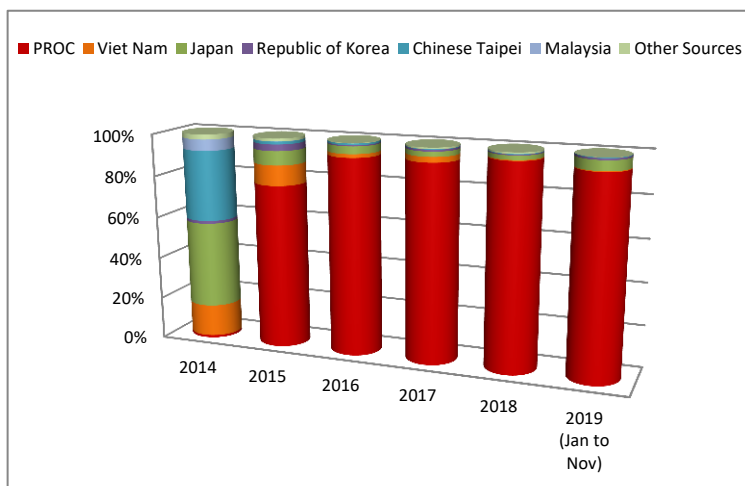
In 2014 to 2015, imports increased to 24,571MT. There was a sharp increase in imports in 2016 by approximately 74,000MT or 300% from 2015 level. It further increased in 2017 by 7,000MT or 7% over 2016 level. In 2018, imports continue to increase by approximately 21,000MT compared to 2017 level.

In 2019 (Jan to Nov), imports was recorded at 122,232MT or equivalent to 97% of 2018 level.

Thus, in absolute volume, there has been a recent, sharp, sudden and significant increase in imports over the POI.

2. Share of Imports (by Country)

1.1 Aluminum Zinc (GL) Sheets, Coils and Strips



Source: Bureau of Customs (SAD- IEIRD)

Figure 2: Share of Imports (by Country) Aluminum Zinc (GL) sheets, coils and strips (2014 – Nov 2019) in MT

The largest increase in the volume of subject goods came from PROC which dominated the market from a mere 1% in 2014 to 96% in 2018.

- PROC is the major source from 2015 to 2019 (Jan. to Nov.)
- Japan in 2014, 2015 and 2016
- South Korea (ROK) in 2015
- Viet Nam in 2014 and 2015
- Chinese Taipei, Malaysia and South Africa in 2014

COUNTRY	2014	% Share	2015	% Share	2016	% Share	2017	% Share	2018	% Share	2019 (Jan to Nov)	% Share
PROC	8	1.00%	19,165	78.00%	91,682	93.19%	98,221	93.35%	121,298	96.32%	114,801	93.92%
Viet Nam	103	13.42%	2,353	9.58%	1,694	1.72%	2,699	2.57%	501	0.40%	488	0.40%
Japan	278	36.04%	1,644	6.69%	3,447	3.50%	2,445	2.32%	2,452	1.95%	5,557	4.55%
Republic of Korea	9	1.18%	751	3.05%	483	0.49%	893	0.85%	532	0.42%	979	0.80%
Chinese Taipei	229	29.73%	329	1.34%	780	0.79%	227	0.22%	257	0.20%	329	0.27%
South Africa	91	11.83%	-	-	74	0.00%	-	-	-	-	-	-
Malaysia	36	4.71%	20	0.08%	-	-	-	-	-	-	-	0.00%
Major Sources:	754	97.90%	24,261	98.74%	98,160	99.77%	104,486	99.30%	125,040	99.29%	122,155	99.94%
Other Sources	16	2.10%	310	1.26%	226	0.23%	738	0.70%	893	0.71%	77	0.06%
Total Imports	770	100%	24,571	100%	98,386	100%	105,224	100%	125,933	100%	122,232	100%

Source: Bureau of Customs (SAD-IEIRD)

Other Sources

Below are the other sources of aluminum zinc (GL) sheets, coils and strips during the POI:

COUNTRY	2014	% Share	2015	% Share	2016	% Share	2017	% Share	2018	% Share	2019 (Jan to Nov)	% Share
Thailand	-	-	-	-	-	-	2	0.00%	0.004	0.00%	-	-
Singapore	-	-	2	0.01%	225	0.23%	-	-	98	0.08%	-	-
India	-	-	3	0.01%	1	0.001%	-	-	-	-	-	-
Belgium	-	-	16	0.06%	-	-	-	-	-	-	-	-
Australia	-	-	25	0.10%	-	-	315	0.30%	-	-	-	-
New Zealand	-	-	-	-	-	-	50	0.05%	210	0.17%	-	-
Hong Kong	16	2.10%	-	-	-	-	-	-	-	-	-	-
Neutral Zone	-	-	-	-	-	-	370	0.35%	585	0.46%	77	0.06%
United States	-	-	264	1.08%	-	-	-	-	-	-	-	-
Total: Other Sources	16	2.10%	310	1.26%	226	0.23%	738	0.70%	893	0.71%	77	0.06%

Source: Bureau of Customs (SAD-IEIRD)

E.2. Relative Terms

E.2.1 Aluminum Zinc (GL) sheets, coils and strips

Table 3: Comparison of Volume of Imports to Domestic Production of Aluminum Zinc (GL) sheets, coils and strips (2014-2018) in MT

Year	Imports (MT)	Production (MT)*	% Share of Imports to Domestic Production
2014	770	100	xxx
2015	24,571	104	xxx
2016	98,386	101	xxx
2017	105,224	100	xxx
2018	125,993	94	xxx

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

The share of imports of aluminum zinc (GL) relative to domestic production experienced a sharp increase during the POI.

Total imports of the said product increased in 2015, significantly increased in 2016, and further increased in 2017. In 2018, share of imports relative to domestic production reached its peak.

Thus, imports relative to domestic production has significantly increased during the POI.

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

1) Market Size

Table 4: Total Apparent Philippine Market (in MT) – Imported Aluminum Zinc (GL) sheets, coils & strips and Domestic Sales

Year	Imports(MT)		Domestic Industry Sales Volume (MT)*	Total Apparent Phil. Market (MT)*	% Increase/ (Decrease)
	Non-Manufacturers	Domestic Industry			
2014	770	-	100	100	-
2015	24,571	4,701	95	138	38%
2016	98,386	24,938	92	278	102%
2017	105,224	41,984	90	312	12%
2018	125,933	37,772	84	331	6%

Sources: Bureau of Customs (BOC-SAD-IEIRD) – Import Volume
Domestic Industry – Domestic Sales Volume

*Figures indexed due to confidentiality

Total Philippine apparent market continued to be relatively robust during the POI.

Total Philippine market expanded in 2014 to 2015. In 2016, it further increased by 102% compared to 2017. Total consumption moved up by 6% in 2018. It was observed that, while the domestic industry imported aluminum zinc (GL) because of its competitive price, the domestic sales in the market continued to decline as imports (non-manufacturers) of the subject product increased substantially during the period.

2. Market Share

Table 5: Volume of Imports of aluminum Zinc (GL) sheets, coils & strips vis-à-vis Domestic Sales (MT)

Year		2014	2015	2016	2017	2018
Imports	Non-Manufacturers	770	24,571	98,386	105,224	125,933
	Domestic Industry	-	4,701	24,938	41,984	37,772
Domestic Sales*		100	95	92	90	84
Total Phil. Market		65,949	90,932	183,358	205,712	218,619
Imports	Non-Manufacturers	xxx	xxx	xxx	xxx	xxx
	Domestic Industry	-	xxx	xxx	xxx	xxx
Domestic Sales		xxx	xxx	xxx	xxx	xxx

Sources: BOC-IEIRD – Volume of Imports
Domestic Industry– Domestic Sales
*Figures indexed due to confidentiality

The share of imports of non-manufacturers to total Philippine market has been increasing during the POI. According to the domestic industry, they imported the said product due to its competitive price as well as to bring down its production/manufacturing cost.

The share of domestic sales to the Philippine market contracted during the POI. In 2014, the domestic industry dominated the market. Domestic sales declined in 2015. Imports continued to displace the domestic market and continued to cut into the industry's sales and market share in 2016 to its lowest share in 2018.

B. Domestic Sales

Table 6: Domestic Sales Volume and Value

Year	Sales Volume (in MT)*	% Increase (Decrease)	Sales Value (in Php Million)*	% Increase (Decrease)
2014	100	-	100	-
2015	95	(5.40)	98	(2.35)
2016	92	(2.64)	96	(2.03)
2017	90	(2.55)	94	(2.15)
2018	84	(6.14)	91	(3.23)

Source: Domestic Industry
*Figures indexed due to confidentiality

The domestic sales volume of GL recorded a continuous decline from 2015 to 2018. It declined by 5% in 2015. It again decreased in 2016 and 2017 by 3%. In 2018, domestic sales recorded its lowest, a decline by 6% from 2017 level. Likewise, the sales value dropped by 2% each year from 2014 to 2017 and further 3% decline in 2018. It should be noted that despite the growth of the market during the period of import surge, domestic sales lagged behind.

According to the domestic industry, sales for locally manufactured GL are lost because the product cannot compete with the unreasonably low price of imported products.

C. Production

Table 7: Total Production

Year	2014	2015	2016	2017	2018
Production (MT)*	100	104	101	100	94
% Increase (Decrease)	-	3.87	(2.76)	(0.56)	(6.15)

Source: Domestic Industry

*Figures indexed due to confidentiality

The domestic production of GL increased in 2015 by 4%. However, it declined from 2016 to 2018 by 3%, 1% and 6%, respectively, as sales exhibited a declining trend each year during the POI.

D. Capacity Utilization

Table 8: Capacity Utilization

Year	Installed/Rated Capacity (MT)*	Actual Production (MT)*	Capacity Utilization Rate (%)	% Increase (Decrease)
2014	100	100	56.14	
2015	100	104	58.31	3.87
2016	100	101	56.71	(2.74)
2017	100	100	56.39	(0.56)
2018	100	94	52.92	(6.15)

Source: Domestic Industry

*Figures indexed due to confidentiality

The industry installed capacity was constant with a capacity utilization rate ranging from 53% to 58% during the POI.

In 2015, the capacity utilization rate increased by 4%, but declined by 3% in 2016 and further by 1% in 2017. In 2018, it continued to drop by 6%, recording the lowest capacity utilization at 53%.

According to the industry, they have been forced to reduce production days from thirty (30) days a month to currently fifteen (15) days a month due to surge in imports which resulted to increased inventory.

E. Finished Goods Inventory

Table 9: Finished Goods Inventory

Year	Volume (MT)*	% Increase (Decrease)	Value (Php Million)*	% Increase (Decrease)
2014	100	-	100	-
2015	223	123.49	230	130.32
2016	342	53.24	356	54.47
2017	478	39.72	491	38.20
2018	606	26.65	622	26.57

Source: Domestic Industry

*Figures indexed due to confidentiality

The finished good inventory volume and value exhibited an increasing trend year to year throughout the POI. Inventory volume increased by 124% in 2015, 53% in 2016 and 40% in 2017. In 2018, inventory volume was recorded at approximately six times the level compared to 2014 level. Likewise, finished goods inventory value also increased during the period i.e 130% (2015), 54% (2016), 38% (2017) and 27% (2018).

F. Cost to Produce

Table 10: Cost to Produce

Particulars	2014	2015	2016	2017	2018
Raw Materials*	90	94	95	94	94
Direct Labor*	2.4	2.2	2.0	2.0	1.5
Manufacturing Overhead*	8	4	3	4	4
Variable*	7	4	2	3	3
Depreciation Expense*	1	0	1	1	1
Cost to produce per MT*	100	100	100	100	100
% Increase (Decrease)**	-	(2.10)	9.13	(10.17)	13.74

Source: Domestic Industry

*Figures in percentage to the cost to produce per MT

**Computed based on the absolute figures of cost to produce per MT

Cost to produce exhibited a fluctuating trend with a decrease of 2% in 2015, increase of 9% in 2016, decrease of 10% in 2017 and increase of 14% in 2018. Cost to produce registered its highest in 2018.

According to the domestic industry, all raw materials (i.e. CRC, zinc ingots, etc.) are imported and there was an increasing cost during the POI.

G. Earnings Before Interest and Taxes

Table 11: Earnings Before Interest and Taxes

Particulars	2014	2015	2016	2017	2018	% Increase (Decrease) (2014 vs.2015)	% Increase (Decrease) (2015 vs.2016)	% Increase (Decrease) (2016 vs.2017)	% Increase (Decrease) (2017 vs.2018)
Sales*	100	98	96	94	91	(2.35)	(2.03)	(2.15)	(3.23)
Cost of Goods Sold*	100	97	96	94	91	(2.51)	(1.85)	(1.91)	(3.03)
Gross Profit*	100	100	95	90	85	(0.03)	(4.52)	(5.60)	(6.39)
Selling, General and Administrative Expenses*	100	98	100	80	84	(1.88)	2.40	(20.05)	4.62
Earnings Before Interest and Tax*	100	104	88	107	86	3.10	(15.68)	22.69	(20.44)

Source: Domestic Industry

*Figures indexed due to confidentiality

Gross profit from 2014 to 2018 exhibited a decreasing trend by 0.03%, 5%, 6% and further by 6%, respectively. Selling, general and administrative expenses (SGAE) decreased by 2% in 2015, increased by 2% in 2016, decreased by 20% in 2017 and increased by 5% in 2018. The resulting earnings before interest and taxes (EBIT) increased by 3% in 2014, decreased by 16% in 2015, increased by 23% in 2017 and decreased by 20% in 2018.

H. Return on Sales

Table 12: Return on Sales

Particulars	2014	2015	2016	2017	2018
Sales (Million)*	100	98	96	94	91
EBIT*	100	104	88	107	86
Return on Sales	xxx	xxx	xxx	xxx	xxx
% Increase (Decrease)	-	5.58	(13.94)	25.38	(17.78)

Source: Domestic Industry

*Figures indexed due to confidentiality

Return on Sales (ROS) fluctuated with an increase of 6% in 2015, decrease of 14% in 2016, increase of 25% in 2017 and decrease of 18% in 2018.

I. Employment

Table 13: Employment

Year	Employees for Production*	% Increase (Decrease)	Salaries and Wages*	% Increase (Decrease)
2014	100	-	100	-
2015	91	(9.37)	93	(7.25)
2016	83	(8.00)	88	(4.69)
2017	69	(17.75)	77	(13.13)
2018	60	(12.33)	65	(14.95)

Source: Domestic Industry

*Figures indexed due to confidentiality

Table 13 covers only employees involved in the production of Aluminum Zinc/GL.

Employment showed a declining trend over the POI. Employment was cut by 40% from 2014 to 2018. Likewise, salaries and wages also declined during the period, i.e. from 7% in 2015 to 15% in 2018. According to the industry, due to reduce production operation, overtime pay has been reduced.

J. Productivity

Table 14: Productivity

Year	Production Volume*	Employees for Production*	Labor Productivity (MT/employees)	% Increase (Decrease)
2014	100	100	xxx	-
2015	104	91	xxx	14.60
2016	101	83	xxx	5.70
2017	100	69	xxx	20.90
2018	94	60	xxx	7.05

Source: Domestic Industry

*Figures indexed due to confidentiality

Labor productivity showed a steady increased during the POI. It increased by 15% in 2015, 6% in 2016 and 21% in 2017. In 2018, it rose by 7% compared to last year. The increased in labor productivity is due to declining employment during the POI.

K. Price Effects

1. Price Undercutting

Table 15: Average Selling Price of Domestic Product vs. Landed Cost of Imports for 2018 (₱ in MT)

Country	Wtd. Ave. Landed Cost (PhP in MT) (a)	% Share to Total Imports	Ave. Domestic Selling Price (Php in MT) (b)	% Undercutting (b-a)/b*100
Major Source:				
PROC	xxx	96.97	xxx	10.26
Other Sources	xxx	3.03		(26.80)
Wtd. Average	xxx	100		8.93

Sources: Wtd. Ave. Landed Cost- BOC-SAD-IERD
Domestic Selling Price - Domestic Industry

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

Based on BOC-IEDs in 2018, PROC was the major source country of aluminum zinc (GL) to the Philippines.

Weighted average landed cost of imports from all sources is lower by approximately 9% than the domestic selling price of the domestic product, thus, imported aluminum zinc (GL) undercut the domestic product.

2. Price Suppression

Table 16: Average Selling Price of Domestic Product vs. Cost of Production for 2018 (₱ in MT)

Year	Ave. Selling Price of Domestic Product (Php in MT) (A)*	Cost of Production (Php in MT) (B)*	Difference (Php in MT) (A-B)*	% Price Suppression (A-B)/B*100
2014	100	100	100	xxx
2015	101	98	142	xxx
2016	99	107	-20	xxx
2017	98	96	134	xxx
2018	97	109	-86	xxx

Source: Domestic Industry

*Figures indexed due to confidentiality

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.

Price suppression was exhibited in 2016 in 2018.

3. Price Depression

Table 17: Domestic Selling Price of Locally Manufactured Aluminum Zinc (₱ in MT)

Year	Ex-Works Price (PhP/MT)*	% Increase/(Decrease)
2014	100	-
2015	101	0.58
2016	99	(1.49)
2017	98	(0.77)
2018	97	(1.08)

Source: Domestic Industry

*Figures indexed due to confidentiality

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

Price depression were recorded at 1.49% in 2016, 0.77% in 2017 and 1.08% in 2018.

VI. FINDINGS AND CONCLUSIONS

A. Volume of Imports

A.1 In Absolute Terms

- There has been a recent, sharp, sudden and significant increase in imports i.e. from 770MT 2014 to 126,000MT in 2018.
 - Imports continuously increased during the POI.
 - Imports increased by 3,090% in 2015, 300% in 2016, 7% in 2017 and 20% in 2018. In 2019 (Jan to Nov), imports was 97% of 2018 level.

A.2 In Relative Terms

- Share of imports relative to domestic production has significantly increased during the POI.
- Total imports accounted for 1% of domestic production in 2014 which increased to 35% in 2015. Share of imports increased to 145% in 2016, and to 156% in 2017. In 2018, share of imports relative to domestic production reached its peak at 198%.

B. Serious Injury

B.1 Market Size

- Total Philippine apparent market grew during the POI from approximately 66,000MT in 2014 to 219,000MT in 2018.
- Total Philippine market expanded from approximately 66,000MT in 2014 to 91,000MT in 2015. In 2016, it increased to 183,000MT or by 102% compared to 2017. Total consumption went up to about 219,000MT or by 6% in 2018.

B.2 Market Share

- Share of non-manufacturers to total Philippine market increased significantly from 1% in 2014 to more than 50% in 2018.
- Share of domestic sales to the Philippine market contracted during the POI.
 - In 2014, domestic industry dominated the market at 99%.
 - Experienced a continuous decline, from 68% in 2015 to its lowest share at 25% in 2018.

B.3. Domestic Sales and Value

- Declining sales volume and value over the POI.
 - Sales volume recorded a continuous decline of 5% in 2015, 3% in 2016 and 2017 and 6% in 2018

- Sales value declined by 2% each year from 2014 to 2017 and further by 3% decline in 2018.

B.4. Production

a. Total Production

- Declining production from 2015 to 2018.
 - Production increased in 2015 by 4%, declined from 2016 to 2018 by 3%, 1% and 6%, respectively, as sales exhibited a declining trend during the POI.

b. Capacity Utilization

- Installed capacity was constant with capacity utilization ranging from 53% to 58% during the POI.
- Capacity utilization increased by 4% in 2015, but declined by 3% in 2016 and further by 1%. In 2018, it went down by 6%, recording the lowest capacity utilization rate at 53%.

c. Finished Goods Inventories Volume and Value

- Volume exhibited an increasing trend from 2014 to 2018 by 123%, 53%, 40% and 27%, respectively.
- Value increased from 2014 to 2018 by 130%, 54%, 38% and 27%, respectively.

d. Cost of Production

- Exhibited a fluctuating trend with a decrease of 2% in 2015, increase of 9% in 2016, decrease of 10% in 2017 and increase of 14% in 2018.
- Highest cost to produce was recorded in 2018.

B.5 Profitability

a. Profits and Losses

- Gross profit from 2014 to 2018 exhibited a decreasing trend by 0.03%, 5%, 6% and further 6%, respectively.

b. Return on Sales

- Fluctuated with an increase of 6% in 2015, decrease of 14% in 2016, increase of 25% in 2017 and decrease of 18% in 2018.

B.6 Employment

- Continue to decline during the POI.
- Declined by 40% from 2014 to 2018

B.7 Productivity

- Steady increased from 2014 to 2018 by 15%, 6%, 21% and 7%, respectively.

B.8 Prices

a. Price Undercutting

- Weighted average landed cost of imports from all sources is lower than the average selling price of the domestic product indicating a price undercutting of approximately 9% in 2018.

b. Price Depression

- Recorded at 1.49% in 2016, 0.77% in 2017 and 1.08% in 2018.

c. Price Suppression

- Recorded in 2016 by 1% and in 2018 by 5%

VII. CAUSATION

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

- Significant increases in the volume of imported Aluminum Zinc (GL) in 2015 (3,090%), 2016 (300%), 2017 (7%) and in 2018 (20%) preceded the serious injury to the industry in 2018. The industry suffered declines in sales, production, utilization rate, profitability and employment. Inventory increased from 2014 to 2018.
- The condition of competition showed that the market share of domestic product decreased during the POI from 99% in 2014 to 25% in 2018, as share of imports in the domestic market displaced locally produced GL.

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. This will also use state-of-the-art technology that will improve environmental performance of the domestic industry's operations.

With a headstrong twenty-five (25) years of galvanizing experience, Sonic Steel Industries, Inc. ("SSII") is set to launch a new Plant envisioned to be under the auspices of its affiliate, Solid Steel International Coating Corporation ("SSICC"). SSICC is set to spearhead the introduction of x x x new lines which shall tremendously improve production capacity as well as promote cost efficiency.

SSICC's Plant is situated at Barangay Gregorio, City of Trece Martires, Province of Cavite is set to be partially operational by 2020 and with full completion in 2025 utilizing and adopting the latest state-of-the-art technology.

New Continuous Galvanizing Line (CGL)

SSICC's new CGL Plant is set to produce Aluminum Zinc (GL) and Galvanized Iron (GI) Coated Heavy Gauge Sheets of various sizes and gauges at the estimated rated production capacity of x x x metric tons per annum. This volume is enough to foster self-sufficiency for the needs of CCL and will significantly respond to importations for galvanizing products.

This new CGL Plant is projected to lessen current production cost. It is also expected that it shall generate employment for more than ten thousand (10,000) direct and indirect workers.

For the implementation of this plan, SSICC will pour in a remarkable investment amounting to x x x contributing to the growth of the (flats) steel industry in the Philippines.

Steel Processing Center

Continuing its legacy in the Philippine steel industry, Sonic Steel Industries, Inc. ("SSII") has already commenced the construction of an innovative Steel Processing Center to be placed under the management of its another affiliate, Ultra Dynamic Steel Service Center Corporation ("UDSSCC"). x x x

Employment for a total of more than five thousand (5,000) direct and indirect workers will be generated for this Plant.

An investment amounting to no less than x x x will be made effectively bolstering the strategic enhancement of the Philippine steel (flats) industry.

TARGET COMPLETION DATE	2022
STATUS	<ul style="list-style-type: none"> • Acquisition of Land – Complete • Negotiation with Supplier – On-going • Construction – On-going

Cold-Rolling Mill Facility **(First Phase)**

Midstream of the five (5) year Adjustment Plan (year 2022), a Cold Rolling Mill Facility is expected to be built on x x x lot situated at Barangay Sta. Elena, Sto. Tomas, Batangas which shall be placed under the leadership and management of an affiliate of Sonic Steel Industries, Inc., Philippine Cold Rolled Steel Corporation. x x x

The same Plant will likewise include x x x modern lines of x x x high speed, hi precision Reversing Cold Rolling Mills which will produce Cold Rolled Coils (CRC). x x x By and large, this investment will prepare the Philippines to becoming globally competitive in terms of satisfying the domestic needs of the steel industry.

Boldly emerging as the leader in the Philippines (flats) steel industry, Philippine Cold Rolled Steel Corporation's total stellar investment will amount to x x x.

TARGET COMPLETION DATE	2028
STATUS	<ul style="list-style-type: none"> • Acquisition of Land – Complete • Negotiation with Supplier – On-going • Construction – On-going

Second Phase(The Succeeding Five (5) Year Adjustment Plan)

Philippine Coil Coating Steel Corporation, a Sonic Steel Industries, Inc. affiliate, will pioneer and erect a Plant capable of manufacturing Automotive Grade Cold Rolled Coils (CRC). In this phase of development, the line will produce x x x metric tons annually. This will consequently result to a combined production of more x x x metric tons of flat products per annum which will inevitably pave the way and open opportunities for significantly substantial investments in the Philippine upstream steel industry.

This Plant will include an additional new Push-Pull Pickling Line to complement the production capacity of the above-described line.

TARGET COMPLETION DATE	2028
STATUS	<ul style="list-style-type: none"> • Acquisition of Land – negotiation on-going • Negotiation with Supplier – On-going

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 (both Multilateral Trade Agreements and as such are integral parts of the WTO Agreement) are clearly demonstrated.

Aluminum zinc (GL) is not the subject of any tariff concession under the WTO Agreement. The investigation is also governed by RA 8800, the Safeguard Measures Act, and the terms and conditions of the Agreement on Safeguards.

IX.a. Unforeseen Development

As a WTO Member, the Philippines is bound by Article XIX GATT 1994 and the Safeguards Agreement. The applicant domestic industry must, therefore, allege and prove that unforeseen developments and the effect of the obligations of the Philippines under the WTO Agreement, including tariff concessions, have led to the increase in importation as well as the presence of the resulting serious injury or threat thereof.

- On March 23, 2018, 25 percent tariffs on steel and 10 percent tariffs on aluminum imports formally entered into effect in the United States. The tariffs were a result of a nine-month investigation by the Department of Commerce, which ultimately concluded that current international quantities of steel and aluminum imports were displacing domestic industry, weakening the U.S. economy, and threatening to impair U.S. national security. Source: AreaDevelopment.com – Q2 2018
- China's steel industry notched another production record in the first quarter, spurred by consumption in the infrastructure sector as government stimulus props up demand.

The maker of half the world's steel churned out 231 million tons between January and March, up almost 10 percent from a year earlier and the highest for any first quarter on record. Production in March climbed 10 percent to 80.3 million tons, according to data from the statistics bureau. Source: Bloomberg News- April 17, 2019

- The key concern for the rest of the world is that if China's economy slows and domestic demand is not strong enough to absorb all of the steel it produces, its exports could destabilize global steel prices as they did over 2014-2016. During this period, China exported more than 100 million mt of steel each year. By the end of 2015, steel and raw materials prices reached a nadir.

In the Midwest region of the United States, domestic hot-rolled coil prices averaged \$373/short ton in December 2015, lower even than during the global financial crisis and 40% down on the same month a year earlier. Not surprisingly, many international steel companies were forced to slash production and staff, unable to continue operating at sub-economic prices. Some steel companies never recovered and were subsequently forced to find a buyer. A plethora of antidumping duties have been introduced to protect local steel industries and last year the US applied a 25% import tariff on steel from many countries. But trade protection measures often just shift the supply pressure problem from one place to another: as one door closes, exporters try to open another. Source: S&P GLOBAL PLATTS - 28 May, 2019

IX.b. Notification Requirement

Article 12.1 of the WTO Agreement on safeguards states that a Member shall immediately notify the Committee on Safeguards upon:

- (a) initiating an investigatory process relating to serious injury or threat thereof and the reasons for it;

X. RECOMMENDATIONS

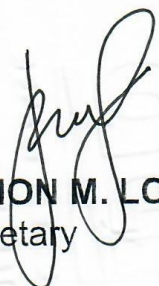
Based on the above findings, there are indications that increased imports of Aluminum Zinc (GL) sheets, coils and strips are the substantial cause of serious injury to the domestic industry in terms of declining market share, production, sales, capacity utilization, profitability, employment, price depression, suppression and price undercutting.

Wherefore, premises considered, the Department, finds *prima facie* evidence to initiate and conduct a preliminary safeguards investigation to determine whether Aluminum Zinc (GL) sheets, coils and strips are being imported into the Philippines in increased quantities and is causing serious injury to the domestic industry.

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

SO ORDERED.

15 June 2020


RAMON M. LOPEZ
Secretary *CSH*

Annex A

LIST OF IMPORTERS OF 7210 AND 7212

I. Identified by the Philippine Steel Industry

No.	NAME OF IMPORTER	No.	NAME OF IMPORTER
1	CITY SHUTTER INC.	7	MILEAGE ASIA CORPORATION
2	CYPRINUS SUNERGOS CORPORATION	8	SOP STEEL SALES CENTER INC.
3	DIATECH SUCCESS GROUP INC.	9	TOPMARK STEEL CORPORATION
4	DWIGHT STEEL BUILDING SYSTEMS INC.	10	ULTRA PETRONNE INTERIOR SUPPLY CORP.
5	ELEMENT INDUSTRIAL BUILDERS INC.	11	WESTMONT INDUSTRIAL SALES INC.
6	JEA STEEL INDUSTRIES INC.		

II. Sourced from Bureau of Customs (BOC-SAD-IERD)

No.	NAME OF IMPORTER	No.	NAME OF IMPORTER
1	2ML EXCHANGE UNLIMITED CORPORATION	40	ECO STEEL ROLLFORMING INDUSTRY INC.
2	3MPLUS AGRI-TECH PRODUCTS INC.	41	ECO-EDGE HOME INTERIORS & SUPPLIES INC.
3	ACCUTECH STEEL AND SERVICE CENTER INC	42	EEI CORPORATION
4	ACREVEL TRADING	43	EFCO PHILIPPINES LTD
5	ADVANCE METAL CO. INC.	44	EJH OBADO ENTERPRISE
6	AG&A GENERAL MERCHANDISE	45	ELEMENT INDUSTRIAL BUILDERS INC.
7	AJEL BUILDERS	46	ESORNAD ENTERPRISES
8	ALL TRANSPORT NETWORK INC.	47	EVER LAST ROOFING INC.
9	ALLTOP TRADING CORP.	48	EXCEL COIL COATING CORPORATION
10	ALPHA ORIENT CONSTRUCTION SUPPLY	49	FABRICATOR PHILS INC
11	AMPERE RESOURCES CORPORATION	50	FAST PHASE TRADING
12	ANGEL&LUIS STAR TRADE INC.	51	FEDCHEM MANUFACTURING & DISTRIBUTIO
13	ARCHIMETAL ROOF SYSTEMS INC.	52	FILIPINAS ASIA GLASS AND DOORS CORP
14	B BENEDICTO & SONS CO INC	53	FLEXHALE TRADING
15	BERNHERM TRADING	54	FLUSH DOORS INC.
16	BLUESTEEL INDUSTRIES INC.	55	FORTUNE HOUSEWARE PRODUCTS INTL INC
17	BLYSSE COMMERCIAL TRADING	56	FOUR SEASONS INTERTRADE CO LTD
18	BORLA ENTERPRISES	57	FOURWARD TRADING
19	BRIGHT MILLENNIAL TRADING CORP.	58	FSC METAL CORPORATION
20	BUMJIN PHILIPPINES CONSTRUCTION INC	59	FUNCTION TRADING
21	CASIA ROSE ENTERPRISES	60	G. UYMATIAO JR. CONSTRUCTION
22	CBPHIL MANUFACTURING CORP.	61	GALVAPHIL INC.
23	CEBU R. WHICH ENTERPRISES INC.	62	GETGEN INTERNATIONAL CO.
24	CEBU TRISTAR CORPORATION	63	GRAND HAVELUCK ELECTRICAL CO. INC
25	CENTRAL LUMBER CORPORATION	64	GREAT SWISS METAL BUILDERS CORP.
26	CFV INTERNATIONAL TRADING	65	GREATER VISION TRADING
27	CHRISSA GENERAL MERCHANDISE	66	HANANYAH INTERNATIONAL CORP
28	CITY SHUTTER INC.	67	HIGHSCALE TRADING CORP.

No.	NAME OF IMPORTER	No.	NAME OF IMPORTER
29	COLORSTEEL SYSTEMS CORPORATION	100	MRSB TRADING
30	CONCEPCION DURABLES INC	101	MULTIFRONT MARKETING CORPORATION
31	CORLAX TRADING	102	MULTIPLEX METALS INC
32	CYPRINUS SUNERGOS CORP.	103	NAKAYAMA TECHNOLOGY CORPORATION
33	D.R. TORRES TRADING	104	NEMOROSA ISLAND MARKETING COMPANY
34	DIATECH SUCCESS GROUP INC.	105	NESSYMAN INTL. TRADING
35	DIUP INCORPORATED	106	NEW ROCKFORD MANUFACTURING CORP.
36	DN STEEL MARKETING INC.	107	NISHIN METAL CORPORATION
37	DONGGWANG CLARK CORPORATION	108	NORTH SPRING ENTERPRISES
38	DRAGON HARDWARE MATERIALS SUPPLY	109	NORTHWINGS ENTERPRISE
39	DXT TRADING	110	NOVAPLAS COMPOSITES INC
68	HIGHTIDE MARKETING	111	OLIVER DOORS AND BUILDERS SUPPLY CO
69	INFAMISS ROUGE TRADING	112	ORANGE VET SCIENCES INC.
70	JEA STEEL INDUSTRIES INC.	113	PABAZA IMPORT & EXPORT INC
71	JER TECS CONSTRUCTION CORPORATION	114	PALABRICA IMPORT TRADING
72	JETTRED ENTERPRISE	115	PHILIPPINE STEELFRAMING CORPORATION
73	JFE SHOJI STEEL PHILIPPINES INC.	116	PHILMETAL PRODUCTS INC
74	JJPNM AGRO INDUSTRIAL CORPORATION	117	PIERO 332 ENTERPRISES INC
75	JOYLAND INDUSTRIES CORPORATION	118	PILIPINAS DONGYUE AUTOCLAVE AERATED
76	JPOWERED HEAVY EQUIPMENT INC	119	PIXEL TRADING
77	JPRAN GENERAL MERCHANDISE	120	PMJT TRADING
78	JT STEEL SYSTEM CORPORATION	121	POSCO PHILIPPINE MANILA PROCESSING
79	JUNAY ENTERPRISES	122	QUEEN-S INTERNATIONAL TRADING
80	KANE INDUSTRIAL CORPORATION	123	R.S. SESE MARKETING
81	KEED STEEL MARKETING CORPORATION	124	RAINBOWHORIZONS ENTERPRISE
82	KEN TING HEAVY MECHANICAL	125	RAK CERAMICS (PHILIPPINES) CORPO/
83	KIMURAGON ENTERPRISE CORP.	126	RCBL TRADING
84	KJK PRIME STEEL CORPORATION	127	REGAL LEGEND ENTERPRISES
85	K-ONE METAL FORMING AND SERVICES IN	128	REMCOR INDUSTRIAL AND MFG. CORP.
86	KOOLL COMPANY INC.	129	RHON ROX PLASTIC TRADING
87	LAFARGE REPUBLIC INCORPORATED	130	RL GRAPHIC ARTS INC
88	LI YUAN METAL CORPORATION	131	ROBERTS AUTOMOTIVE & INDUSTRIAL
89	MAG ASO TRADING	132	RRUAH GENERAL MERCHANDISE
90	MAGIS ROVER MANUFACTURING INC.	133	SAN JOSUE REALTY & DEV'T CORP.
91	MARID INDUSTRIAL MARKETING	134	SG ECO INDUSTRIES INC
92	MAYER STEEL PIPE CORP	135	SHAKESVILLE ENTERPRISES
93	METACOR CORPORATION	136	SHILOH INTERNATIONAL CORPORATION
94	METAL EXPONENTS INC	137	SHIMIZU PHILIPPINE CONTRACTORS INC.
95	MILEAGE ASIA CORPORATION	138	SHINKOZAN CORPORATION
96	MIX VENTURE INC.	139	SK15 TECH CORPORATION
97	MJF BUILDERS	140	SOLACE HORIZON TRADING
98	MM STEEL SERVICE CENTER CORPORATION	141	SOLID CHARM TRADING
99	MOLEX INTEGRATED PRODUCTS PHILS INC	142	SOP STEEL SALES CENTER INC.

No.	NAME OF IMPORTER	No.	NAME OF IMPORTER
143	SOUTH LUZON THERMAL ENERGY CORP.	160	TRIKRIS ENTERPRISES
144	SOUTHERN INTEGRA INDUSTRIAL SOLUTIO	161	TRIPLE-A HOMESOURCE INC.
145	SPERE TUCAN ENTERPRISES	162	TUPIE ALL STAR TRADE INC.
146	SPURWAY ENTERPRISES	163	ULTRA PETRONNE INTERIOR SUPPLY CORP
147	SRGM TRADING	164	UNIMORE TRADING CORPORATION
148	STEEL CORE HOMES INC.	165	UNION GALVASTEEL CORP.
149	SY YU METAL.NET INC.	166	UNITED STEEL TECHNOLOGY INTERNATIONAL CORP
150	THREETREE GENERAL MERCHANDISE	167	UP-RISER INTERNATIONAL TRADING
151	TOOLHUB CORP	168	VALERIE PRODUCTS MFG. INC.
152	TOPMARK STEEL CORPORATION	169	VCY SALES CORPORATION
153	TORMENTA INTERNATIONAL TRADING	170	VIHLLE 08 IMPORT AND EXPORT TRADING
154	TORN YANG PHILIPPINES INC	171	WESTMONT INDUSTRIAL SALES INC.
155	TOUGH SAPPHIRE ENTERPRISES	172	WISETRADE SOLUTIONS AND MARKETING CORP.
156	TOWER STEEL CORPORATION	173	WPC DESU TENSO TRADING
157	TRACLEF TRADING	174	YAMADA TECHNOLOGY CORPORATION
158	TRANZER TRADING	175	YINYI PHIL MINING INC.
159	TREBIZOND INC	176	YOKOISADA PHILS. CORPORATION

Annex B**LIST OF EXPORTERS OF 7210 AND 7212****I. Identified by the Philippine Steel Industry**

No.	NAME OF EXPORTER	COUNTRY
1	AUTHENTIC (TIANJIN) IMPORT AND EXPORT LTD.	PROC
2	HANGZHOU SUKALP TRADING CO. LTD.	PROC
3	HUA GUAN NEW MATERIALS CO. LTD.	PROC
4	JIANGYIN ZONG CHENG STEEL CO. LTD.	PROC
5	NU STEEL PTE LTD.	SINGAPORE
6	ROGO INDUSTRIAL (SHANGHAI) CO. LTD.	PROC
7	SHANDONG HIKING SHANTONG INTERNATIONAL TRADING SERVICE CO. LTD.	PROC
8	SHANDONG HUAYUN NEW MATERIAL CO. LTD.	PROC
9	SHANDONG SUOLITE INTERNATIONAL TRADE CO. LTD.	PROC
10	SUMEC INTERNATIONAL TECHNOLOGY CO. LTD.	PROC
11	TIANJIN HAOTIAN INTERNATIONAL TRADING CO. LTD.	PROC
12	TIANJIN HAOYU CENTURY IMPORT & EXPORT CO. LTD.	PROC
13	ZHEJIANG P.R.P.T. PREPAINTED TECHNOLOGY CO., LTD.	PROC

II. Sourced from Bureau of Customs (BOC-SAD-IERD)

No.	NAME OF EXPORTER	COUNTRY	No.	NAME OF EXPORTER	COUNTRY
1	ACCUTECH STEEL & SERVICES CENTER, INC.	SOUTH KOREA	13	CHEONGFULI (XIAMEN) COMPANY LIMITED	PROC
2	AHCOF INTERNATIONAL DEVELOPMENT CO.	PROC	14	CNBM INTERNATIONAL CORP.	PROC
3	ANGANG GROUP INTERNATIONAL TRADE CO	PROC	15	CONSTRUCTION PRODUCTS, INC.	USA
4	ASIA(HONGKONG) STEEL CO LTD	HONG KONG	16	CYBERMANU CO LTD	JAPAN
5	AUTHENTIC (TIANJIN) I AND E LTD.	PROC	17	DONGGUAN CITY MUXINGKE TRADING CO.	PROC
6	AVIC INTERNATIONAL MINERALS & RESOURCES	PROC	18	DONGGUAN YUYI TRADING CO.,LTD	PROC
7	BLUESCOPE STEEL LIMITED ENGINEERING	AUSTRALIA	19	DONGKUK STEEL MILL CO., LTD	SOUTH KOREA
8	BONCO GLOBAL TRADING CO., LTD.	PROC	20	EFCO CORP.	USA
9	BOXING TONGHE INTERNATIONAL SUPPLY	PROC	21	EP STEEL TRADING CO., LIMITED	PROC
10	CANGZHOU ZHONGTIE MACHINERY EQUIPME	PROC	22	FUFENG HARDWARE CO LTD OF HAINING	PROC
11	CFM CHIN FONG METAL PTE LTD	TAIWAN	23	GUANGDONG HUA GUAN NEW MATERIAL CO.	PROC
12	CHANGZHOU DAHUA IMP AND EXP CORP LT	PROC	24	GUANGDONG HUAGUAN STEEL CO., LTD	PROC

No.	NAME OF EXPORTER	COUNTRY	No.	NAME OF EXPORTER	COUNTRY
25	GUANGZHOU CHUANTONG IMPORT AND EXPO	PROC	54	HUA GUAN NEW MATERIAL CO., LTD	PROC
26	GUANGZHOU DUNHONG IMP & EXP CO LTD	PROC	55	HUALU STEEL CO., LTD	PROC
27	GUANGZHOU FU DE LU TRADING CO., LTD	PROC	56	HUANGZHOU SUKALP TRADING CO LTD	PROC
28	GUANGZHOU HUAXI TRADING CO LTD	PROC	57	JFE SHOJI STEEL PHILIPPINES, INC.	TAIWAN
29	GUANGZHOU JUN SHI TRADING	PROC	58	JFE SHOJI TRADE (KOREA) LTD.	SOUTH KOREA
30	GUANGZHOU JZ. FOREVER TRADE CO., LT	PROC	59	JFE SHOJI TRADE CORPORATION	JAPAN
31	GUANGZHOU TONGAN IMPORT & EXPORT CO	PROC	60	JIANGSU DALISHEN SCIENCE AND TECHNO	PROC
32	GUANGZHOU YANGTAO TRADING CO., LTD.	PROC	61	JIANGSU EAST STEEL CO.,LTD.	PROC
33	GUANGZHOU YAOXILOU TRADE CO., LTD C	PROC	62	JIANGSU GANGSHENG STEEL SHEET SCIENCE AND	PROC
34	GUANGZHOU ZHANGDI IMP EXP TRADING C	PROC	63	JIANGYIIN ZONG CHENG STEEL CO., LTD	PROC
35	GUANGZHOU ZHONGGUO TRADING CO LTD	PROC	64	JIANGYIN HOPO IMPORT AND	PROC
36	GUANXIAN GUANJING TRADING CO., LTD	PROC	65	JIANGYIN ZONG CHENG STEEL CO., LTD.	PROC
37	GUANXIAN GUANZHOU METAL MATERIAL CO	PROC	66	JO ON CO., LTD.	TAIWAN
38	GUANXIAN RENZE COMPOSITE MATERIALS	PROC	67	KING HARVEST CORPORATION	TAIWAN
39	GUNAGDONG HUAGUAN STEEL CO., LTD	PROC	68	KUANG YOU METAL ENTERPRISE	TAIWAN
40	HANDAN ZHUOLI FINE STEEL PLATE	PROC	69	KYODO CO.,INC.	JAPAN
41	HANGZHOU CIEC INTERNATIONAL CO.,LTD	PROC	70	LANGFANG SAINT REES AMARON MOVABLE	PROC
42	HANGZHOU CONCORD INTL.TRADE CO	PROC	71	LINQING HONGJI (GROUP) CO. LTD	PROC
43	HANGZHOU JINGFA ALUMINUM CO	PROC	72	LINQING RONGSHENG RADING CO., LTD	PROC
44	HANGZHOU P.R.P.T. METAL MATERI	PROC	73	LUCKY METALS ENTERPRISE CO.LTD	PROC
45	HANGZHOU SANTIWAY INTERNATIONAL CO	PROC	74	MARUICHI STEEL JOINT STOCK CO	VIET NAM
46	HANGZHOU SUKALP TRADING CO.,LTD.	PROC	75	MASON METAL INDUSTRY CO LTD	TAIWAN
47	HANGZHOU XIAOSHAN SHUNHE METAL	PROC	76	MEGLOBE CO.,LTD.	PROC
48	HANWA (KOREA) CO., LTD.	SOUTH KOREA	77	METAL ONE COPRORATION	JAPAN
49	HEFENG AGRO CO., LTD.	PROC	78	mitsui & CO. KOREA LTD.	SOUTH KOREA
50	HENGYIXING XIAMEN IMPORT AND EXPORT	PROC	79	MITSUI AND CO LTD	JAPAN
51	HOA SEN GROUP NO.9 THONG NHAT	VIET NAM	80	MM STEEL SERVICE CENTER CORP.	JAPAN
52	HSS ENTERPRISE LIMITED	PROC	81	NAM KIM STEEL JOINT STOCK	VIET NAM
53	HSS INVESTMENT CO., LTD	PROC	82	NANTONG UNISTEEL CO LTD	PROC

No.	NAME OF EXPORTER	COUNTRY	No.	NAME OF EXPORTER	COUNTRY
83	NS BLUESCOPE LYSAGHT SINGAPORE PTE	SINGAPORE	111	SHANDONG ZHONGGUAN STEEL PLATE CO.,	PROC
84	NS BLUESCOPE VIET NAM LTD	VIET NAM	112	SHANGHAI HUAHAI STEEL CO., LTD.	PROC
85	NU STEEL PTE. LTD.	PROC	113	SHANGHAI LE GANG SUPPLY CHAIN CO LT	PROC
86	PHIL MARCUS DEVELOPMENT LTD	PROC	114	SHANGHAI NANTA INDUSTRY CO., LTD.	PROC
87	PHIL. EXPORT INC.	JAPAN	115	SHANGHAI QUKIN STEEL CO.,LTD	PROC
88	PHIL. EXPORTERS CONFIDERATION, INC.	JAPAN	116	SHANGHAI XIAO JIN INDUSTRIAL CO LTD	PROC
89	PHILFAST TRADING CO., LTD	TAIWAN	117	SHENYANG MINZHI IMPORT AND EXPORT T	PROC
90	POSCO DAEWOO CORPORATION	SOUTH KOREA	118	SHENZHEN CHUANFUFEXIANG COMMERCE C	PROC
91	POSCO PHILIPPINE MANILA PROCESSING	SOUTH KOREA	119	SHENZHEN CHUANGSHENG IMP & EXP CO.,	PROC
92	PROMETAL INTERNATIONAL CO.LTD	PROC	120	SHENZHEN ERMAN TRADE CO.,LTD	PROC
93	RAND YORK CASTING PTY LTD	SOUTH AFRICA	121	SHENZHEN GRAND IMP AND EXP CO LTD	PROC
94	REINFORCED EARTH MALAYSIA SDN	MALAYSIA	122	SHENZHEN HOMEBOUND SWALLOWS TRADING	PROC
95	ROGO INDUSTRIAL (SHANGHAI) CO LTD	PROC	123	SHENZHEN HUADINGXING IMPORT AND EXP	PROC
96	SAMSUNG TRADING (SHANGHAI) CO., LTD	PROC	124	SHENZHEN HUAGUANSHUN IMP. AND	PROC
97	SHANDONG BOXING DAGANG COLOR	PROC	125	SHENZHEN HUICHUTENG KEJKAIFA	PROC
98	SHANDONG CHENGPENG INTERNATIONAL TRADE	PROC	126	SHENZHEN JUE JIANG TRADE DEVELOPMEN	PROC
99	SHANDONG GUANXIAN CHANGFA SHEETS CO	PROC	127	SHENZHEN MAOYIBAO IMPORT&EXPOR	PROC
100	SHANDONG GUANZHOU CO., LTD.	PROC	128	SHENZHEN MINGTONGTAI IMPORT & EXPOR	PROC
101	SHANDONG HANGLONG INTL TRADING CO.,	PROC	129	SHENZHEN RUI XIN SHUNDA IMPORT AND	PROC
102	SHANDONG HIKING SHANGTONG INTERNATI	PROC	130	SHENZHEN SHUFENGDA IMPORT AND EXPOR	PROC
103	SHANDONG HUAYUN NEW MATERIAL CO LTD	PROC	131	SHENZHEN SPEEDY IMP & EXP CO., LTD	PROC
104	SHANDONG JULONG STEEL PLATE CO	PROC	132	SHENZHEN SUOLITE	PROC
105	SHANDONG LIQIANG STEEL PLATE CO., L	PROC	133	SHENZHEN UNITE TRADE IMPORT & EXPOR	PROC
106	SHANDONG RISHENG METAL MATERIAL COR	PROC	134	SHENZHEN YI QI FA IMPORT EXPORT TRADE	PROC
107	SHANDONG RUICHEN INDUSTRY TRADE CO.	PROC	135	SHENZHEN YIHAODI IMPORT & EXP.	PROC
108	SHANDONG SINO METAL CO.,LTD.	PROC	136	SHENZHEN YONG JIA LE TRADING CO LTD	PROC
109	SHANDONG SUOLITE INTERNATIONAL TRAD	PROC	137	SHENZHEN ZHAOXINGYUAN IMPORT AND EX	PROC
110	SHANDONG ZETAI IMP AND EXP CO	PROC	138	SHENZHENCITY PENGYUANXIN INDUSTRY L	PROC

No.	NAME OF EXPORTER	COUNTRY	No.	NAME OF EXPORTER	COUNTRY
139	SHIJIAZHUANG WEIZHENGHENG LIGHT STE	PROC	168	WUXI XINDAZHONG STEEL SHEET CO. LTD	PROC
140	SK NETWORKS CO.,LTD.	SOUTH KOREA	169	WUXI ZHONGCAI NEW MATERIAL CO., LTD	PROC
141	SOUTHERN STEEL SHEET CO., LTD	VIET NAM	170	XIAMEN DASHENGRONG TRADE CO.,LTD.	PROC
142	SUMEC INTERNATIONAL TECHNOLOGY CO.	PROC	171	XIAMEN DAZHOU IMPORT AND EXPORT CO	PROC
143	SWANSON AND LEE CORP., LTD.	SOUTH KOREA	172	XIAMEN DONG GANG METAL MATERIAL CO.	PROC
144	SYNDA STEEL INTERNATIONAL CORP	PROC	173	XIAMEN LAILEI IMPORT AND EXPORT CO.	PROC
145	TAI TZU STEEL CO., LTD.	PROC	174	XIAMEN SHANGRENTONG TRADING CO.,LTD	PROC
146	TIANJIN ANSTEEL TIANTIE COLD ROLLED	PROC	175	XIAMEN TOP SUN TRADE CO., LTD	PROC
147	TIANJIN CENTURY XINLE IMPORT AND EX	PROC	176	XIAMEN TRANGLE IMP. AND EXPORT CO	PROC
148	TIANJIN FUZHONG INTERNATIONAL TRADE	PROC	177	XIAMEN YOUGENG INDUSTRIAL CO.,	PROC
149	TIANJIN HAOTIAN INTERNATIONAL TRADI	PROC	178	XIAMEN ZY INDUSTRY & TRADE CO LTD	PROC
150	TIANJIN HAOYU CENTURY IMPORT AND EX	PROC	179	XUZHOU QIANGHONG PRECISION FORGING	PROC
151	TIANJIN HENG STEEL IMPORT AND	PROC	180	YIEH PHUI CHINA TECHNOMATERIAL CO L	PROC
152	TIANJIN JINQIXINGYE INTERNATIONAL T	PROC	181	YIEH PHUI ENTERPRISES CO.,LTD	TAIWAN
153	TIANJIN JINWANLU IMPORT & EXPORT CO	PROC	182	YIWU GODSEND TRADE CO., LTD,	PROC
154	TIANJIN KAIRE IMP & EXP CO.,LTD	PROC	183	YIWU XINYUAN IMP&EXP CO LTD.	PROC
155	TIANJIN RONGFA IMP AND EXP CO., LTD	PROC	184	YIWU ZHIHONG IMPORT AND EXPORT CO L	PROC
156	TIANJIN RUICHANG INDUSTRIAL & COMME	PROC	185	YONG-SIN METAL CO., LTD.	TAIWAN
157	TIANJIN TIANYOU HUATAI INTERNATIONA	PROC	186	YUSHO METAL CO., LTD.	TAIWAN
158	TIANJIN ZINC GALV INTERNATIONAL TRA	PROC	187	ZHANGJIAGANG NEW GANXING TECHNOLOGY	PROC
159	TMS INTERNATIONAL TAIWAN LTD	PROC	188	ZHEJIANG RELIAON IMP AND EXP CO	PROC
160	TON DONG A CORP	VIET NAM	189	ZHEJIANG HUADA NEW MATERIALS CO LTD	PROC
161	TOYOTA TSUSHO CORPORATION	JAPAN	190	ZHEJIANG LIANXIN STEEL PLATE TECHNO	PROC
162	UNIMAX AND FAR CORP	TAIWAN	191	ZHEJIANG MATERIALS INDUSTRY INTL CO	PROC
163	UNITED STEEL PTE., LTD.	NEW ZEALAND	192	ZHEJIANG PRPT PREPAINTED TECHNOLOGY	PROC
164	UNITED STEEL PTE., LTD.	SINGAPORE	193	ZHEJIANG RELIAON IMP & EXP CO	PROC
165	UNITRADE RESOURCES LIMITED	TAIWAN	194	ZHENGZHOU CITY UNITES STEEL INDUSTR	PROC
166	WEIFANG JYD STEEL CO LTD	PROC	195	ZHIJIAZHUANG YINGYEE IMPORT AND EXP	PROC
167	WEIFANG SINOEGYPT IMPORT & EXPORT CO	PROC	196	ZOUPING XINYU IND INC.	PROC