

GLOSSARY

Causal Link

The injury suffered by the Philippine industry must be linked to the effects of subsidization of the imported product.

Countervailing Duty

A duty imposed to remedy injury caused by subsidies.

Country of Export/Country of Origin

The country from where the products are shipped irrespective of the actual location of the seller is the country of export. The country of origin may be different if there is no significant process of manufacture or packing carried out in the country of export.

EBIT – Earnings Before Interest and Taxation

EBIT refers to the operating income arising from normal operations and excludes extraordinary items and distributions to and contributions from owners.

Gross Profit

The income resulting from the deduction of the cost of manufacture from sales over a given period. The cost of manufacture or cost of production includes manufacturing overheads, but excludes selling, administrative and financial expenses.

Like Product

Any product which is identical or alike in all respect to the allegedly subsidized product; or in the absence of such product those which have characteristics closely resembling those of the allegedly subsidized product.

Net Income

Excess of revenue over the total costs and expenses incurred in generating such revenue during an accounting period.

Price Depression

When selling prices in the Philippines are reduced because of the allegedly subsidized products.

Price suppression

When price increases that would otherwise have taken place do not occur because of the allegedly subsidized products. This could mean that, for example, cost increases are not fully recovered.

Price Undercutting

When the allegedly subsidized products are sold on the Philippine market at the relevant level of trade at prices lower than the selling prices of the like products produced by the Philippine industry.

Related Party

A person shall be deemed to be related to another person if:

- (a) One of them directly or indirectly controls the other; or
- (b) Both of them are directly or indirectly controlled by a third person; or
- (c) Together they directly or indirectly control a third person

A person controls another person if he is in a position, whether legally or operationally, to exercise restraint or direction over the other person.

Specific Subsidy

A subsidy limited to an enterprise or industry or group of enterprises or industries. A subsidy can be limited to certain enterprises or industries by being available only in particular regions of a country. All export related subsidies and subsidies related to the use of domestic over imported goods are specific. Subsidies can also be specific if they are provided in practice to only certain enterprises or industries, even though the relevant law may not explicitly limit their application in such manner.

Subsidy

Subsidy involves the provision of specific assistance, directly or indirectly, by a government in respect of products exported to the Philippines. It could be in the form of grants, loans, equity capital, loan guarantees, goods or services, purchases, income or price support.