

1 THE APPLICANT/S

Photocopy this worksheet before you start so you can complete it for each relevant producer.

Please give details for each of the Philippine producer/s by or on whose behalf this application is made.

1.1 Name _____

1.2 Address _____

1.3 Phone _____ 1.4 Fax _____

1.5 Email Address _____

1.6 Names and titles of contact people for this case.

1.7 Ownership details. Submit articles of incorporation; SEC registration etc.

Provide broad details of shareholding e.g. 100% privately owned, or 45% XYZ Corp., 55% ABC Corp.

1.8 Details of company accounting year.

1.9 Briefly list all products manufactured and/or sold.
(Continue on separate sheet if needed.)

1.10 Describe your distribution channels

1.10 Describe your production process. Provide flowchart of manufacturing operations.

BIS-IRM-CVD-SF-02
Application to Initiate Subsidy Investigation

2 OTHER PHILIPPINE PRODUCER/S

Photocopy this worksheet before you start so you can complete it for each relevant producer.

Please give details for any other **Philippine producer/s**.

2.1 Name _____

2.2 Address _____

2.3 Phone _____ 2.4 Fax _____

2.5 Email Address _____

2.6 Briefly, list all products manufactured and/or sold.

Written expressions from Philippine producer/s of support for the application, or opposition to it, should be attached to the application.

To show clearly the position regarding support and opposition, complete the form before this page.

The collective output of Philippine producers expressly supporting the application must be 25% or more of the total Philippine production of like products during the most recent period of not less than six (6) months. Moreover, producers supporting the application must account for at least 50% of total Philippine production of those producers expressing support or opposition to the application in writing.

2a SUMMARY OF PHILIPPINE PRODUCERS

Total Philippine Domestic Production of Like Products for the past Three (3) Years
(During the period / / to / /)

The period is the most recent representative period immediately preceding the date of herein protest.

Domestic production of **like products** by those **Philippine producers** who have, in writing, *supported* the Application

	Quantity
Producer:	
Producer:	
	Total A

Domestic production of **like products** by those Philippine producers who have, in writing, *opposed* the Application

	Quantity
Producer:	
Producer:	
	Total B

Domestic production of **like products** by those Philippine producers who have, in writing, *neither supported nor opposed* the Application

	Quantity
Producer:	
Producer:	
	Total C
Total domestic production (i.e. Total A + Total B + Total C)	Total D
Total domestic production of those producers who have, in writing, expressed <i>support or opposition</i> to the application. (i.e. Total A + Total B)	Total E
Total A as % of Total D	%
Total A as % of Total E	%

3 THE PRODUCT

3.1 Please describe the allegedly subsidized product.
(Submit samples (if possible), brochures, catalogues and specifications).

3.2 Please provide the tariff classification, statistical code and tariff duty for the allegedly subsidized product.

NOTE: The Tariff Commission, Bureau of Customs, customs brokers or consultants can provide the correct tariff classifications.

3.3 Please describe the **like products** produced by Philippine industry.
(Submit samples (if possible), brochures, catalogues and specifications).

3.4 Explain how the products produced by the Philippine industry are like the allegedly subsidized products, including physical characteristics, end use, methods of manufacture and marketing system.

NOTE: If the products you manufacture are not identical to the allegedly subsidized products, please give details and explain how you consider that they closely resemble the allegedly subsidized products. Describe any differences in nature or end-use between the allegedly subsidized products and your product.

4 ALLEGEDLY SUBSIDIZED PRODUCTS

4.1 Name the **countries of origin or export** of the allegedly subsidized product.

Disregard countries which the allegedly subsidized products pass through in transit. For example, if the products are made in Country A and pass through Country B without further significant processing, the country of export is Country A and the subsidies provided in Country A are relevant.

4.2 State the other countries known to be exporting the allegedly subsidized products to the Philippines.

4.3 If action is sought against several countries, demonstrate that these countries collectively account for more than 7% of total imports of the allegedly subsidized products, if individually they comprise less than 3% of total imports.

4.4 Provide the names and addresses of the overseas producers and/or exporters supplying the allegedly subsidized products

4.5 Give the names and addresses of any known importers of the allegedly subsidized products or articles and describe the nature of their business, e.g. wholesaler, retailer.

4.6 Indicate when the allegedly subsidized products began causing injury.

5 SUBSIDIES

Subsidies are specific financial contributions, or price or income support schemes, which are provided by governments and result in a benefit to the recipient. Governments include local and regional governments and bodies representing groups of countries such as the European Union which may provide contributions directly or through other organization. Examples of financial contributions are grants, soft loans, loan guarantees, and certain equity infusions, tax credits and goods and services provided by governments.

In order for **countervailing duties** to be imposed, a subsidy must also be a **specific subsidy**.

The WTO Subsidy Agreement has set out limited exceptions where subsidies are non-countervailable. These include research and development subsidies, subsidies for disadvantaged regions, and one-time subsidies for meeting new environmental requirements as well as subsidies affecting agricultural products subject to trade liberalization commitments. More information on these exceptions and whether they might apply to the goods you are concerned about, can be obtained from the Bureau of Import Services.

The Act requires that before initiating an investigation into subsidies, the Philippine government must notify the government of the exporting country and provide a reasonable opportunity for consultations with the objective of clarifying the situation and arriving at a mutually agreed solution.

Information is required on the existence, amount and nature of the subsidy. This information permits the Philippine government and the foreign government concerned to identify the relevant subsidy programme and to gauge the extent to which it provides a benefit to the exported product. This can be important, because an investigation cannot be initiated if the amount of subsidy is less than one percent of the value of the goods from developing countries or less than three percent for goods from least developed countries.

To the extent possible, please provide information for each subsidy programme you have identified.

- 5.1 Name the subsidy programmes which are believed to apply to the allegedly subsidized goods, and the legislation or regulation under which the scheme operates. Identify the government agency responsible for the administration of the programmes, and provide copies of laws, regulations or other evidence of the programme. Where the laws, regulations or other evidence is not in English, please provide an English translation of those parts referring specifically to the subsidy programmes.

5.2 Describe the nature and operation of the programmes, including the product coverage, the form of assistance provided, e.g. export subsidy, government grants, loan guarantees and tax credits.

5.3 Explain why you consider the subsidies to be specific and countervailable.

5.4 Identify the benefits provided under the programmes. Where the claimed benefit arises from preferential treatment, e.g. through lower interest charges, you should also provide information on the normal treatment, such as the commercial interest rates that would otherwise be payable.

5.5 For each of the overseas producers and exporters identified in paragraph 4.4 above, please explain why you consider they are eligible to receive assistance under each subsidy programme, e.g. the programme is limited to a particular region of a country where the overseas producer is located.

5.6 Where possible, identify any companies providing goods or services to the overseas producers and exporters listed in paragraph 4.4 which are also receiving assistance under any of the subsidy programmes you have listed in paragraph 5.1. Explain why the companies are eligible to receive assistance under these programmes.

5.7 Estimate the amount of subsidy under each programme, calculated as a percentage of the value for duty of the goods when imported in the Philippines. (Full calculations should be shown).

INJURY

In order to investigate claims of injury, the Bureau of Import Services must have evidence showing:

- The volume of imports of allegedly subsidized product
- The effect of the allegedly subsidized product on prices in the Philippine market
- The economic impact of the volume of imports of allegedly subsidized product on the Philippine industry.

All information provided to support claims of injury unless specifically requested must cover the last three (3) years immediately preceding the date of the protest.

It is important for applications to show a **causal link** between the alleged subsidy and the alleged injury. For example, a decrease in local production and sales may be causally linked to an increase in imports of allegedly subsidized product.

You may believe that although your industry is not currently suffering injury, there will be injury if the subsidization is not stopped. Your application will then be based on threat of injury.

When the Bureau of Import Services makes a determination of threat of injury it does so on the basis of guidelines set down in Section J of RA 8751 and its Implementing Rules and Regulations.

- A determination must be based on facts, not merely on allegation, conjecture or remote possibility. The change in circumstances which will create a situation in which the subsidization will cause injury must be clearly foreseen and imminent.

In considering the injury factors set out in the Act, the Bureau will take account of the following key factors in determining that a threat of injury exists:

- Trade effects likely to arise from the nature of subsidy
- The likelihood of substantially increased imports
- The exporters' capacity to increase subsidized exports in the Philippine market
- Whether the prices of imports are having a significant effect on prices in the Philippines
- Inventories of the products being investigated.

None of these factors alone will necessarily give decisive guidance to the determination, but taken together, must lead to the conclusion that further subsidized exports are imminent and that, unless protective action is taken, material injury could occur.

Your application should have enough information to permit the Bureau to assess the claims in terms of these guidelines.

After 60 days from initiation of investigation, provisional countervailing duties can be applied at any time, provided there is reasonable cause to believe that the products are subsidized and causing injury, and provided such action is necessary to prevent injury being caused during the remaining period of investigation. If you think this situation applies to your industry, then you should request that provisional duties be imposed.

6 INCREASED IMPORT VOLUME

6.1 State quantities of imports of the allegedly subsidized product.

6.2 State dollar value of imports of the allegedly subsidized product.

For both items on this page, please provide these details for the most recent three (3) years available, if possible by month or by quarter and for each country named in the application. This information may be available from the Philippine Statistics Authority or the Bureau of Customs.

7 PRICE EFFECTS

- 7.1 Outline the extent to which the allegedly subsidized products are **price undercutting** like domestic products.

Remember to provide information on price effects for each model, product or type of alleged subsidized product, and for each exporter named in this application. Ex-factory prices should, where possible, be compared with prices ex importers' store (excluding any distribution costs).

- 7.2 Outline the extent to which the allegedly subsidized products are causing **price depression**.

Provide supporting evidence e.g. price lists, invoices, declines in average unit ex-factory prices

- 7.3 Outline the extent to which the allegedly subsidized products have caused **price suppression**.

Provide supporting evidence such as details of increases in production costs and selling and administration costs, and any information on your pricing policy and history.

8 ECONOMIC IMPACT

Complete the following injury summary for domestic sales of the like product for the most recent three (3) years available, if possible by month or by quarter.

Table should show the consolidated figures of all the producers by or for whom this application is made. Please state if the table covers different accounting years, and if so, identify the different accounting years for each producer.

Injury Summary

Accounting Period
Sales Volume
Revenue
Cost of Production
Gross Profit
Selling and Administration
Earnings Before Interest and Tax (EBIT)

Per Unit:

Revenue
Cost of Production
Gross Profit
Selling and Administration
EBIT

Complete the following cost of production of the product under protest for the most recent three (3) years available.

Raw Materials
Conversion Cost
Specify
 Direct Labor
 Factory Overhead
 Variable Expense
 Fixed Expense

8.1 OUTPUT

8.1.1 Provide details of any decline in the industry’s output of the like product for the Philippine market.

8.2 RAW MATERIALS USAGE

8.2.1 Indicate the utilization for each major raw material used for production of the like product.

8.2.2 State whether the specific raw material is imported or locally produced.

8.3 SALES

8.3.1 Provide details of any decline in the industry’s sales of the like product.

8.3.2 Explain any lost sales due to direct competition from the allegedly subsidized product.

8.3.3 Give copies of any correspondence or cancelled orders from the industry’s customers showing they are buying the goods from other sources.

8.3.4 Provide a schedule of volume and value of export sales over the most recent three (3) years available, if possible by month or by quarter.

8.4 MARKET SHARE

- 8.4.1 Provide evidence of the size of the Philippine market, preferably by volume, but otherwise by value.

- 8.4.2 Compare the market share of domestic industry with the share held by imports of the allegedly subsidized product and imports from other sources over the most recent three (3) years available.

8.5 PROFITS

- 8.5.1 Explain how the **gross** and **net profit** on the domestic sales of like product have been affected.

This explanation should be consistent with changes in gross and net profit shown on page 11 above.

8.6 PRODUCTIVITY

- 8.6.1 Show how productivity has been affected in the most recent three (3) years, monthly or quarterly if possible.

Remember to state the basis used for measuring productivity (e.g. Production per worker, or per period etc.)

8.7 RETURN ON INVESTMENTS

- 8.7.1 Show return on shareholders' funds or return on assets, or a similar appropriate measure of return on investment, in terms of net profit for the most recent three (3) years available.

- 8.7.2 Provide details of how any allocation of shareholder's funds or assets has been made to like product.

8.8 USE OF PRODUCTION CAPACITY

8.8.1 State the industry’s production capacity for the most recent three (3) years available, if possible on a monthly or quarterly basis, for the like product.

Explain the basis for this assessment, e.g. machine capacity, number of shifts, and state the units of measurement, for example, tons, meters, liters.

8.8.2 What has been the industry’s capacity utilization rate for the periods specified above?

9 OTHER ADVERSE EFFECTS

9.1.1 Please give evidence to support claims of injurious effects (actual or potential) in any of the following areas for the most recent three (3) years:

- Cash flow – specify cash inflows and cash outflows
- Inventories – volume and value
- Employment
- Wages
- Growth
- Ability to raise capital
- Investments

10 OTHER CAUSES OF INJURY

Please comment on factors other than the allegedly subsidized product that have injured, or are injuring the industry. These factors could include:

- The volume and prices of like products or articles that are not sold at subsidized prices;
- Reduction in demand or changes in the pattern of consumption;
- Restrictive trade practices of, and competition between, overseas and the Philippine producers;
- Developments in technology; and
- The export performance of the Philippine producers.

11 IMPORTS BY THE INDUSTRY

If the industry has imported the subject product in the past three (3) years please provide:

- Full description of the product;
- Details of each shipment (including dates of importation, supplier, country of origin, values for duty, CIF values and volume).
- An explanation why the industry has imported the subject product.

RA 8751 – COUNTERVAILING DUTY ACT OF 1999

Application to Initiate a Subsidy Investigation

I hereby apply to initiate an investigation into the subsidy of (product)

from (country of origin)

In support of this application I attach evidence of:

- (i) Subsidy
- (ii) Injury to the industry; and
- (iii) A causal link between the alleged subsidization and alleged injury.

and such information as is reasonably available to me in relation to the matters referred to in RA 8751, the Philippine Countervailing Duty Act of 1999

This application is made [by] [on behalf of] the Philippine Industry producing like product or article to those subject to the application, and is supported by producers of like product or article whose collective output constitutes:

- (a) Twenty five percent (25%) or more of the total Philippine production of like product produced for domestic consumption (during the most recent representative period, being not less than six months) and:
- (b) More than fifty percent (50%) of the total production of like product produced for domestic consumption by those Philippine producers who have, in writing, expressed support for or opposition to the application.

Furthermore, I certify that the information contained in this application are accurate and complete to the best of my knowledge.

Signature _____

Name _____

Position _____

Date _____

YES!

You have reached the end of the applicant's questionnaire.

Please make sure you compile your application using the numbering system used in this questionnaire.

Have you signed the application? _____

Have you covered everything in the checklist? _____

Have you prepared two (2) copies of a non-confidential summary or version of your application and its attachments, to be made available upon request to any interested party if an investigation is initiated? _____

Hold on to your questionnaire, it will be useful if further questions arise during a subsidy investigation.

Please send the application for an investigation to:

THE DIRECTOR
Bureau of Import Services
Department of Trade and Industry

Address: 3rd Floor, Tara Building
389 Sen. Gil Puyat Avenue,
Makati City

Telephone No: 896-4430/403-1418

Fax No: 896-4431

Email: LuisCatibayan@dti.gov.ph
bis_irmd@dti.gov.ph