

**KARADENİZ İHRACATÇI BİRLİKLERİ
GENEL SEKRETERLİĞİ**



Sayı : 35649853-TİM.KİB.GSK.TEŞVİK.2025/82-622

Giresun, 27/02/2025

Konu : Filipinler Oluklu Mukavva Korunma Önlemi Soruşturması

E-POSTA

**KARADENİZ İHRACATÇI BİRLİKLERİ ÜYELERİNE SİRKÜLER
2025/125**

Sayın üyemiz,

T.C. Ticaret Bakanlığı İthalat Genel Müdürlüğü'nden alınan 21/02/2025 tarih 106524622 sayılı yazıda;

Filipinler Ticaret ve Sanayi Bakanlığı tarafından 21.02.2025 tarihinde taraflarına iletilen 11.02.2025 tarihli bir örneği ekli (Ek-1) yazıda; ASEAN Harmonize Tarife Nomenklatürü Kodları 4805.19.10, 4805.19.90, 4805.12.00 altında sınıflandırılan "oluklu mukavva" (corrugating medium) ithalatına karşı bir ön korunma önlemi soruşturmasının başlatıldığı belirtilmektedir.

Mezkûr yazıda devamla; Filipinler Korunma Önlemleri Yasası uyarınca, ilgili tarafların yanıt ve yorumları ile diğer kanıt ve bilgilerin, soruşturma başlatma kararı alındığına ilişkin bildirimin ilgili taraflarca alınmasından itibaren 5 iş günü içerisinde iletileceği ifade edilmektedir.

Bununla birlikte; Filipinler tarafından, "oluklu mukavva" (corrugating medium) ithalatına karşı bir ön korunma önlemi (safeguard measure) soruşturması başlatıldığına ilişkin Dünya Ticaret Örgütü (DTÖ) Korunma Önlemleri Komitesine yapılan bildirim Ek-2'de yer almaktadır.

Bilindiği üzere korunma önlemi soruşturmaları, Dünya Ticaret Örgütü'ne (DTÖ) üye ülkelerin GATT 1994'ün XIX. Maddesi ve DTÖ Korunma Önlemleri Anlaşması'nın (Anlaşma) ilgili hükümlerinden kaynaklanan hakları doğrultusunda; öngörülemeyen gelişmelerden kaynaklanan mutlak ya da yerli üretime kıyasla nispi ithalat artışının, yerli endüstriye ciddi zarar verdiği veya zarar tehdidi oluşturduğu iddiası ile açılmakta olup soruşturma sonucunda menşe ülkesi ayrımı yapılmaksızın tüm ithalata karşı bir korunma önlemi tatbik edilebilmektedir.

Bu kapsamda, T.C. Ticaret Bakanlığının "Ticaret Politikası Savunma Araçları" internet adresinde "Türk İhraç Ürünlerine Yönelik TPSA Önlemleri" başlığı altında yer alan "TPSA Önlemlerine İlişkin Faydalı Bilgiler" kısmındaki belgelerin ve Türkiye İhracatçıları Meclisi tarafından düzenlenen "Ticaret Politikası Önlemleri Soruşturmaları ve Genelleştirilmiş Tercihler Sistemi Uygulamaları Kapsamında Firmalarca Alınacak Avukatlık ve/veya Danışmanlık Hizmeti Harcamalarının Desteklenmesine İlişkin Uygulama Usul ve Esasları'nın incelenmesinde fayda görüldüğü belirtilmektedir.

Bilgilerinize sunarız.

e-imzalıdır

Sertaç Ş. TORAMANOĞLU
Genel Sekreter

EK:

- 1) Açılış Bildirimi (132 sayfa)
- 2) DTÖ Bildirimi (1 sayfa)

Karadeniz İhracatçı Birlikleri Genel Sekreterliği
Atatürk Bulvarı No:19/E PK.51 28200 GİRESUN
Telefon: 0.454.2162426 (PBX)
Faks: 0.454.2164842-2168890
e-posta: kib@kib.org.tr Kep: kib@hs01.kep.tr
Web : www.kib.org.tr

Ayrıntılı bilgi için: Filiz YILMAZ – Kıdemli İdari Personel

11 February 2025

H.E NIYAZI EVREN AKYOL
Ambassador
Turkish Embassy
2268 Paraiso Street, Dasmariñas Village
1222 Makati City

Dear **Ambassador Akyol**:

This is to advise you that the Department of Trade and Industry (DTI) issued its report concerning the initiation of a preliminary safeguard measures investigation on the importation of corrugating medium classified under ASEAN Harmonized Tariff Nomenclature (AHTN) Codes 4805.19.10, 4805.19.90, 4805.12.00 from various countries.

As provided under RA 8800, The Philippine Safeguard Measures Act, the DTI after making a decision to initiate investigation will notify all the interested parties concerned and require them to submit within five (5) working days from receipt of such notice their response or comments and other evidence and information relevant to the said investigation.

DTI will be requesting the identified exporters of corrugating medium from your country to provide information set out in the questionnaire pertaining to the investigation.

In this regard, we would like to request the Embassy's assistance in notifying exporters and industry alliances in your country on the said initiation of a preliminary safeguard measures investigation. You may also submit your views pertaining to the attached report to the Bureau of Import Services (BIS), Department of Trade and Industry (DTI), 7th floor, Filinvest Building, #387 Senator Gil Puyat Avenue, Makati City, or you may send the electronic copy of your views thru this email address: bis@dti.gov.ph and bis_irmd@dti.gov.ph, within five (5) days from receipt of this notice.

The DTI website has a non-confidential version of the initiation report and the Notice of Initiation issued in this case. It can be downloaded from this webpage: <https://bit.ly/sg-initiation-corrugating-medium>.

Thank you for your cooperation.

Sincerely,


MA. CRISTINA A. ROQUE
Secretary

OFFICE OF THE SECRETARY

NOTICE OF INITIATION OF A PRELIMINARY INVESTIGATION ON THE
APPLICATION FOR SAFEGUARD MEASURES ON THE IMPORTATION OF
CORRUGATING MEDIUM FROM VARIOUS COUNTRIES

(SG CASE NO. SG01-2025)

Notice is hereby given that the Department of Trade and Industry has officially received a properly documented application from The Pulp and Paper Manufacturers' Association of the Phils. (PULPAPEL) for the initiation of a preliminary investigation on the application for safeguard measures on the importation of Corrugating Medium from various countries. The application alleged that the increased imports have contributed significantly to the serious injury suffered by the local industry.

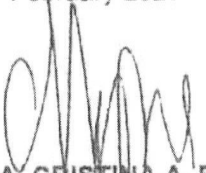
The DTI acting under Section 6 of RA 8800 otherwise known as the Safeguard Measures Act, has made an evaluation on the instant application and found the existence of a prima facie case that will justify the initiation of a preliminary safeguard measures investigation on the importation of Corrugating Medium which are classified under ASEAN Harmonized Tariff Nomenclature (AHTN) Codes 4805.19.10, 4805.19.90, and 4805.12.00 from various countries. The period of investigation (POI) covered are the years from 2019 to 2023.

Further, Section 5 of RA 8800 directs the Secretary of Trade and Industry to consider public interest in the application of the safeguard measures. Rule 5.2 of the IRR of RA 8800 specifically provides that: *"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 political and economic crisis; and (ii) the extent to which such imposition will cause a shortage of a product under consideration in the domestic market"*.

WHEREFORE, IN VIEW THEREOF, interested parties are hereby invited to submit their comments and position on the matter, including their views on whether the imposition of the safeguard measure will be in the public interest. Submissions may be made to the Bureau of Import Services (BIS), Department of Trade and Industry, 7th Floor, Filinvest Building, #387 Senator Gil Puyat Avenue, Makati City, or through electronic submission to bis_irmd@dti.gov.ph within five (5) days from the date of publication of this notice.

The Non-Confidential Report on the Initiation of a Preliminary Investigation can be accessed at the DTI web page: <https://bit.ly/sg-initiation-corrugating-medium>.

11 February 2025



MA. CRISTINA A. ROQUE
Secretary

OFFICE OF THE SECRETARY

14F, No. 387 Senator Gil Puyat Avenue
1200 Makati City, Philippines



(+632) 7791.3250
www.dti.gov.ph
Secretary@dti.gov.ph

Application for Safeguard Measure on Corrugating Medium Paper

Executive Summary

This application seeks the implementation of a safeguard measure on corrugating medium paper imports to protect the domestic industry from serious injury caused by a surge in imports. The following sections outline the reasons for the application, the economic impact on the local industry, and the proposed measures to alleviate the adverse effects.

Introduction

Background

Corrugating medium paper is an essential material in the production of corrugated boxes, widely used in packaging industries. Recently, the domestic industry has faced significant challenges due to a substantial increase in imports, resulting in financial distress and market displacement for local manufacturers.

Purpose

The purpose of this application is to request a safeguard measure under the relevant national and international trade laws to provide temporary relief and enable the local industry to adjust and remain competitive.

1 THE APPLICANT

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

1.1 Name of company **BATAAN 2020, INC.**

1.2 Address

1.3 Phone

Email address

1.4 Fax

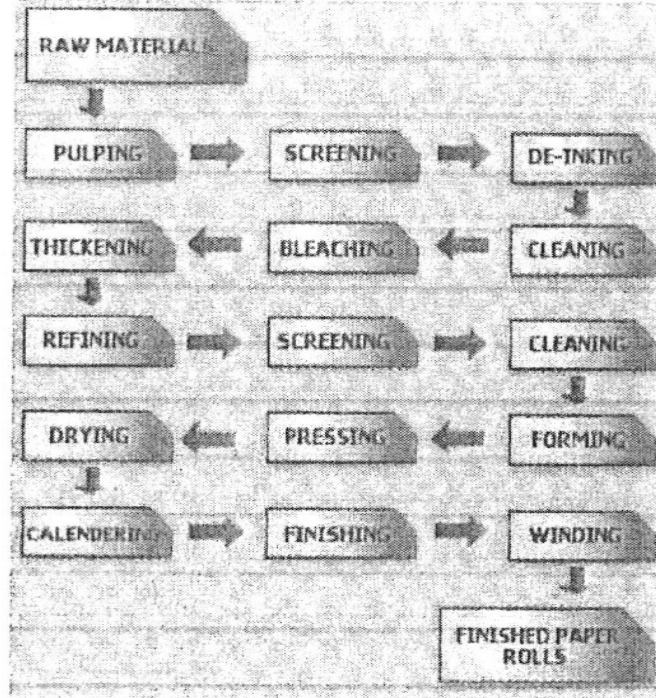
1.5 Contact persons

1.6 Ownership details

**Source: 92070 General Information Sheet*

1.7 Details of company
accounting year:

Flowchart 1.10.1 B2020 Manufacturing Process



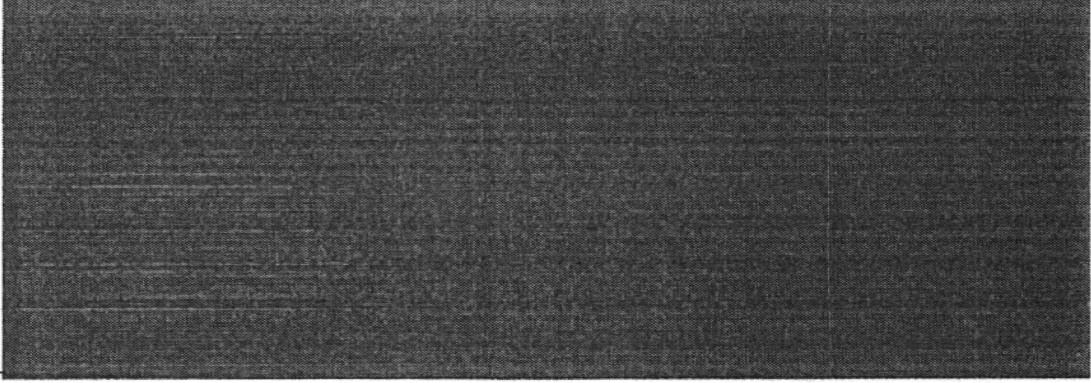
*Source: B2020 Production Team

2 OTHER PHILIPPINE PRODUCERS

Please give details for any other Philippine producer/s.

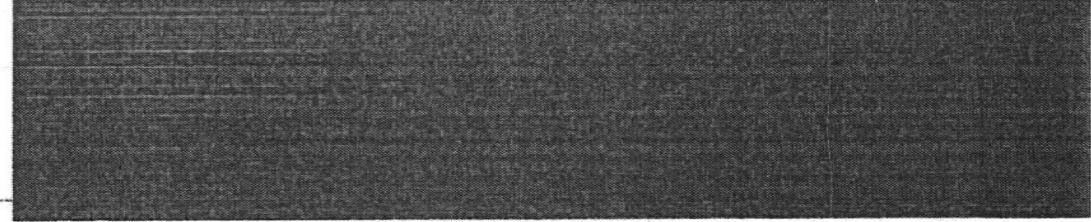
2.1 Name of company

UNITED PULP AND PAPER CO., INC. (UPPC)



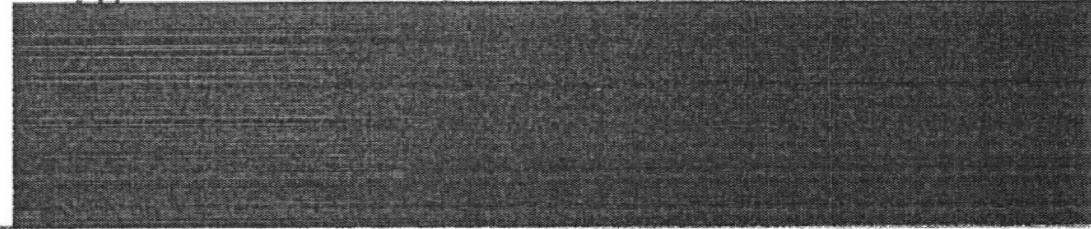
2.2 Name of company

CONTAINER CORPORATION OF THE
PHILIPPINES



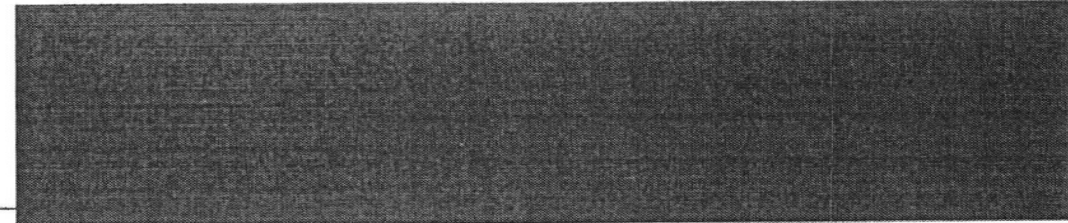
2.3 Name of company

BATAAN 2020

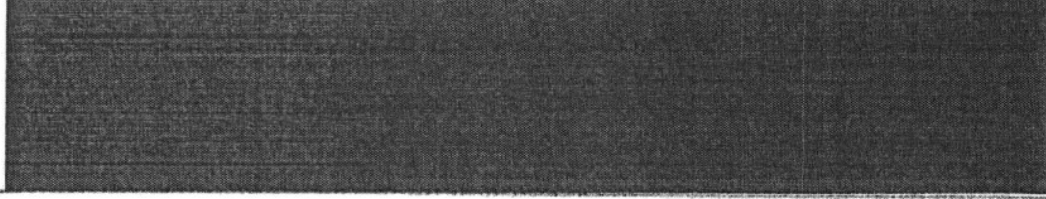


2.4 Name of company

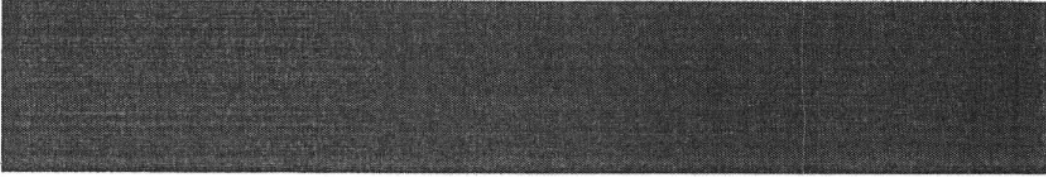
CERTIFIED MILLS INC.



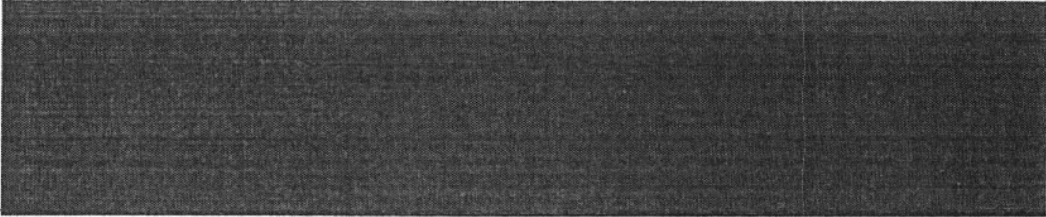
2.5 Name of company **CASCADE ENTERPRISES, INC.**
(Former Trans-National Paper Corporation)



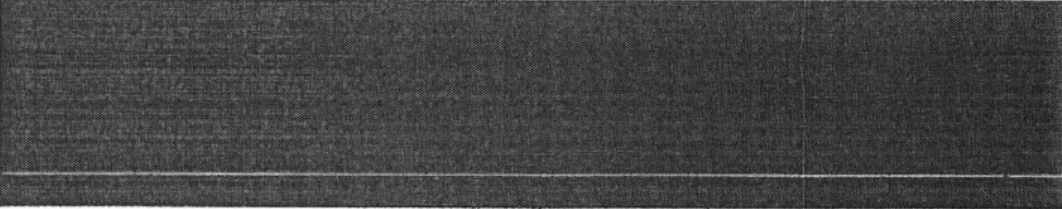
2.6 Name of company **BATANGAS PAPER CORP.**



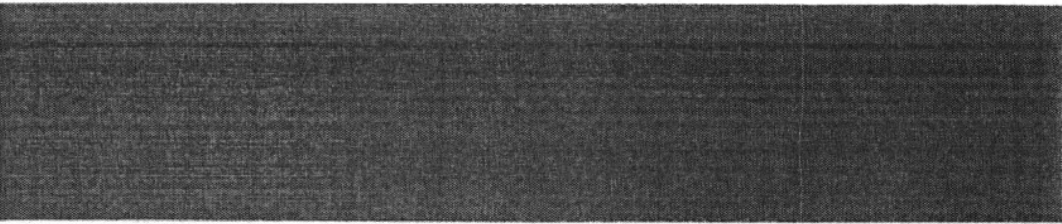
2.7 Name of company **LIBERTY PAPER MILLS**



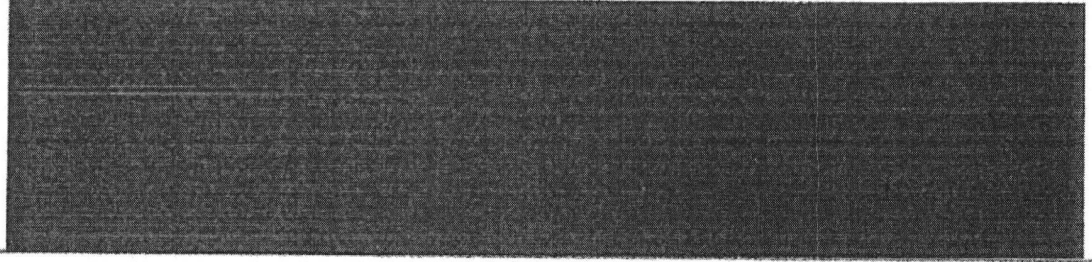
2.8 Name of company **TRUST INTERNATIONAL PAPER CORPORATION**



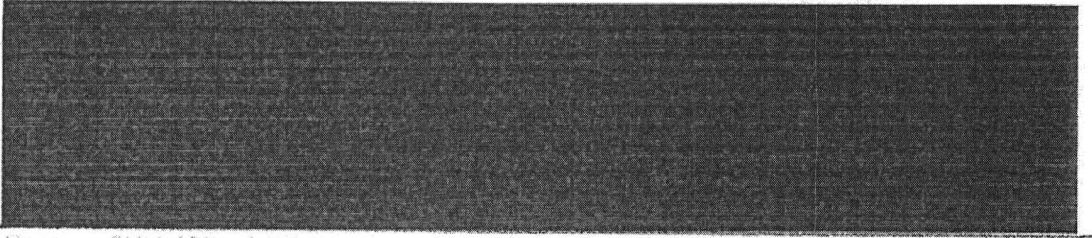
2.9 Name of company **FIBRE SORTING INC.**



2.10 Name of company PAPERLAND, INC.



2.11 Name of company FIRST INTERSCRAP TRADING CORP.



¹Source: FIIT API database

2a SUMMARY OF PHILIPPINE PRODUCERS

Total Philippine Domestic Production of Like or Directly Competitive Products for the Past Five (5) Years (During the period January 2019 to December 2023)

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

Domestic production of CORRUGATING MEDIUM by BATAAN 2020, INC. (B2020):

Name of Company	2019	2020	2021	2022	2023
BATAAN 2020, INC.					

¹Source: B2020 Accounting Team



3 THE PRODUCT

3.1 Please describe the Imported product.

Corrugating Medium

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, called 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, together with testliner board, 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.

Corrugating Medium are made from high percentage of 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.

3.2 Please provide the tariff classification, statistical code and tariff duty for the imported product. If included in a preferential agreement, state the nature of the agreement and margin(s) of preference granted.

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

Corrugating Medium (Recycled Corrugating Medium)

Tariff Headings	MFN Rate	CEPT Rate	Description
4805.19.10	7%	xxx	--- 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 : - - Other : - - - Weighing more than 150 g/m2 but less than 225 g/m2
4805.19.90	7%	xxx	--- 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 : - - Other : - - - Other
4805.12.10	7%	xxx	--- 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 : - - Straw fluting paper : - - - Weighing more than 150 g/m2 but less than 225 g/m2
4805.12.90	7%	xxx	--- 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 : - - Straw fluting paper : - - - Other

**Source: Data provided by Bureau of Import Services to PULPAUL*

3.3 Please describe the like and/or directly competitive products produced by Philippine industry.

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.

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.

3.4 Explain how the products produced by the Philippine industry are like or directly competitive with the imported products, including physical characteristics, tariff heading, tariff duty, end use, methods of manufacture and marketing system.

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

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

- Corrugating medium produced by Philippine producers and imported corrugating medium have the same tariff heading. (Refer to answer in 3.2)
- Corrugating medium produced by Philippine producers and imported corrugating medium have similar appearance and physical characteristics. (Refer to Annex A will provide samples from each paper mill and imports)
- Corrugating medium produced by Philippine producers and imported corrugating medium have the same use and application. They are used to make corrugated boxes and corrugated boards.
- Corrugating medium produced by Philippine producers and imported corrugating medium have the same general manufacturing process.
- Corrugating medium produced by Philippine producers and imported corrugating medium use the same fiber material, such as mixed waste and recycled paper, for production.

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). Box makers and converters convert the corrugating medium to corrugated boxes which are then sold to end-users.

4 SOURCE/S OF THE IMPORTED PRODUCT

4.1 Name the countries of export of the imported product.

Below is the list of countries that have been exporting **CORRUGATING MEDIUM** to the Philippines during the period of January 2019 to December 2023:

	Country of Origin
1	Japan
2	Australia
3	Thailand
4	Vietnam
5	Indonesia
6	UAE
7	Taiwan
8	Malaysia
9	Sweden
10	Russia
11	China
12	South Korea
13	Finland
14	Turkey
15	Canada
16	Poland
17	France
18	South Africa
19	United States
20	Netherlands
21	Spain
22	Austria
23	India
24	Belgium
25	Germany
26	Italy
27	Singapore
28	Hong Kong

*Source: Compiled data from Bureau of Import Services Internal Statistics

- 4.2 Provide the complete names and address of the overseas producers and/or exporters supplying the imported products.

NAME OF EXPORTER/OVERSEAS PRODUCER	ADDRESS
Marubeni Corporation	
Visy Paper Ltd. / Visy Trading SG Ltd.	
Itochu Corp.	
Vina Kraft Paper Co. Ltd.	
Kyokuyo Company Ltd.	
PT Indah Kiat Pulp and Paper	
Sun Favorite Co. Ltd.	
Inter-Papier Singapore PTE Ltd.	
Saigon Paper Corp.	

Source: Summarized data from PULPAET

- 4.3 Give the names and addresses of any known importers of the imported products and describe the nature of their business, e.g. wholesaler, retailer.

Name of Importer	
1 Jennson Packaging Corporation / B18 East Asia Group Corp.	
2 SC Brothers Packaging Corp.	

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3	Valenzuela Packaging Container Corp.
4	Twinpack Container Corporation
5	Greenstone Packaging Corporation
6	Superior Packaging Corporation
7	Goodyear Container Corporation
8	Triple Star Packaging Corp. / Well-Pack Container Corporation
9	Master Corrugated Boardmakers Inc.
10	Central Corrugated Box Mfg. Corp.
11	Standard Corrugated Box Inc.
12	Malinta Corrugated Boxes Mfg. Corp.
13	United Container Corporation
14	ABL Packaging Corporation
15	Basic Box Industry Corporation
	VISAYAS - MINDANAO AREA
16	Republic Corrugated Cartons & Alcohol Inc.
17	Corbox Packaging Corporation
18	Steniel Mindanao Packaging Corp.
19	Davao Corrugated Carton Corporation
20	Mindanao Corrugated Fibreboard Inc.
21	Davao Packaging Corporation
22	Dole Philippines Inc.

4.4 Indicate when the imported products began causing injury.

The imported products began causing injury in 2023.

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5 INCREASED IMPORT VOLUME

For both items on this page, please provide these details for the most recent five (5) years available, if possible by month or by quarter and for each country from which imports are being sourced.

5.1 State quantities of imports of the imported product.

Table 5.1.1 Volume of Corrugating Medium Imports (in metric tons)

Year	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
Q1	1,234	1,345	1,456	1,567	1,678	1,789	1,890	1,901	2,012	2,123	2,234	2,345	2,456	2,567	2,678	2,789	2,890	2,901	3,012	3,123	3,234	3,345	3,456	3,567	3,678	3,789	3,890	3,901	4,012	4,123	4,234	4,345
Q2	1,345	1,456	1,567	1,678	1,789	1,890	1,901	2,012	2,123	2,234	2,345	2,456	2,567	2,678	2,789	2,890	2,901	3,012	3,123	3,234	3,345	3,456	3,567	3,678	3,789	3,890	3,901	4,012	4,123	4,234	4,345	4,456
Q3	1,456	1,567	1,678	1,789	1,890	1,901	2,012	2,123	2,234	2,345	2,456	2,567	2,678	2,789	2,890	2,901	3,012	3,123	3,234	3,345	3,456	3,567	3,678	3,789	3,890	3,901	4,012	4,123	4,234	4,345	4,456	4,567
Q4	1,567	1,678	1,789	1,890	1,901	2,012	2,123	2,234	2,345	2,456	2,567	2,678	2,789	2,890	2,901	3,012	3,123	3,234	3,345	3,456	3,567	3,678	3,789	3,890	3,901	4,012	4,123	4,234	4,345	4,456	4,567	4,678
Q5	1,678	1,789	1,890	1,901	2,012	2,123	2,234	2,345	2,456	2,567	2,678	2,789	2,890	2,901	3,012	3,123	3,234	3,345	3,456	3,567	3,678	3,789	3,890	3,901	4,012	4,123	4,234	4,345	4,456	4,567	4,678	4,789
Q6	1,789	1,890	1,901	2,012	2,123	2,234	2,345	2,456	2,567	2,678	2,789	2,890	2,901	3,012	3,123	3,234	3,345	3,456	3,567	3,678	3,789	3,890	3,901	4,012	4,123	4,234	4,345	4,456	4,567	4,678	4,789	4,890
Q7	1,890	1,901	2,012	2,123	2,234	2,345	2,456	2,567	2,678	2,789	2,890	2,901	3,012	3,123	3,234	3,345	3,456	3,567	3,678	3,789	3,890	3,901	4,012	4,123	4,234	4,345	4,456	4,567	4,678	4,789	4,890	4,901
Q8	1,901	2,012	2,123	2,234	2,345	2,456	2,567	2,678	2,789	2,890	2,901	3,012	3,123	3,234	3,345	3,456	3,567	3,678	3,789	3,890	3,901	4,012	4,123	4,234	4,345	4,456	4,567	4,678	4,789	4,890	4,901	5,012
Q9	2,012	2,123	2,234	2,345	2,456	2,567	2,678	2,789	2,890	2,901	3,012	3,123	3,234	3,345	3,456	3,567	3,678	3,789	3,890	3,901	4,012	4,123	4,234	4,345	4,456	4,567	4,678	4,789	4,890	4,901	5,012	5,123
Q10	2,123	2,234	2,345	2,456	2,567	2,678	2,789	2,890	2,901	3,012	3,123	3,234	3,345	3,456	3,567	3,678	3,789	3,890	3,901	4,012	4,123	4,234	4,345	4,456	4,567	4,678	4,789	4,890	4,901	5,012	5,123	5,234

Source: Sorted data from Bureau of Import Services Import Statistics

5.2 State dollar value of imports of the imported product.

Table 5.2.1 Total Value of Corrugating Medium Imports (FOB Value, in USD)

Year	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
Q1	1,234,567	1,345,678	1,456,789	1,567,890	1,678,901	1,789,012	1,890,123	1,901,234	2,012,345	2,123,456	2,234,567	2,345,678	2,456,789	2,567,890	2,678,901	2,789,012	2,890,123	2,901,234	3,012,345	3,123,456	3,234,567	3,345,678	3,456,789	3,567,890	3,678,901	3,789,012	3,890,123	3,901,234	4,012,345	4,123,456	4,234,567	4,345,678
Q2	1,345,678	1,456,789	1,567,890	1,678,901	1,789,012	1,890,123	1,901,234	2,012,345	2,123,456	2,234,567	2,345,678	2,456,789	2,567,890	2,678,901	2,789,012	2,890,123	2,901,234	3,012,345	3,123,456	3,234,567	3,345,678	3,456,789	3,567,890	3,678,901	3,789,012	3,890,123	3,901,234	4,012,345	4,123,456	4,234,567	4,345,678	4,456,789
Q3	1,456,789	1,567,890	1,678,901	1,789,012	1,890,123	1,901,234	2,012,345	2,123,456	2,234,567	2,345,678	2,456,789	2,567,890	2,678,901	2,789,012	2,890,123	2,901,234	3,012,345	3,123,456	3,234,567	3,345,678	3,456,789	3,567,890	3,678,901	3,789,012	3,890,123	3,901,234	4,012,345	4,123,456	4,234,567	4,345,678	4,456,789	4,567,890
Q4	1,567,890	1,678,901	1,789,012	1,890,123	1,901,234	2,012,345	2,123,456	2,234,567	2,345,678	2,456,789	2,567,890	2,678,901	2,789,012	2,890,123	2,901,234	3,012,345	3,123,456	3,234,567	3,345,678	3,456,789	3,567,890	3,678,901	3,789,012	3,890,123	3,901,234	4,012,345	4,123,456	4,234,567	4,345,678	4,456,789	4,567,890	4,678,901
Q5	1,678,901	1,789,012	1,890,123	1,901,234	2,012,345	2,123,456	2,234,567	2,345,678	2,456,789	2,567,890	2,678,901	2,789,012	2,890,123	2,901,234	3,012,345	3,123,456	3,234,567	3,345,678	3,456,789	3,567,890	3,678,901	3,789,012	3,890,123	3,901,234	4,012,345	4,123,456	4,234,567	4,345,678	4,456,789	4,567,890	4,678,901	4,789,012
Q6	1,789,012	1,890,123	1,901,234	2,012,345	2,123,456	2,234,567	2,345,678	2,456,789	2,567,890	2,678,901	2,789,012	2,890,123	2,901,234	3,012,345	3,123,456	3,234,567	3,345,678	3,456,789	3,567,890	3,678,901	3,789,012	3,890,123	3,901,234	4,012,345	4,123,456	4,234,567	4,345,678	4,456,789	4,567,890	4,678,901	4,789,012	4,890,123
Q7	1,890,123	1,901,234	2,012,345	2,123,456	2,234,567	2,345,678	2,456,789	2,567,890	2,678,901	2,789,012	2,890,123	2,901,234	3,012,345	3,123,456	3,234,567	3,345,678	3,456,789	3,567,890	3,678,901	3,789,012	3,890,123	3,901,234	4,012,345	4,123,456	4,234,567	4,345,678	4,456,789	4,567,890	4,678,901	4,789,012	4,890,123	4,901,234
Q8	1,901,234	2,012,345	2,123,456	2,234,567	2,345,678	2,456,789	2,567,890	2,678,901	2,789,012	2,890,123	2,901,234	3,012,345	3,123,456	3,234,567	3,345,678	3,456,789	3,567,890	3,678,901	3,789,012	3,890,123	3,901,234	4,012,345	4,123,456	4,234,567	4,345,678	4,456,789	4,567,890	4,678,901	4,789,012	4,890,123	4,901,234	5,012,345
Q9	2,012,345	2,123,456	2,234,567	2,345,678	2,456,789	2,567,890	2,678,901	2,789,012	2,890,123	2,901,234	3,012,345	3,123,456	3,234,567	3,345,678	3,456,789	3,567,890	3,678,901	3,789,012	3,890,123	3,901,234	4,012,345	4,123,456	4,234,567	4,345,678	4,456,789	4,567,890	4,678,901	4,789,012	4,890,123	4,901,234	5,012,345	5,123,456
Q10	2,123,456	2,234,567	2,345,678	2,456,789	2,567,890	2,678,901	2,789,012	2,890,123	2,901,234	3,012,345	3,123,456	3,234,567	3,345,678	3,456,789	3,567,890	3,678,901	3,789,012	3,890,123	3,901,234	4,012,345	4,123,456	4,234,567	4,345,678	4,456,789	4,567,890	4,678,901	4,789,012	4,890,123	4,901,234	5,012,345	5,123,456	5,234,567

Source: Sorted data from Bureau of Import Services Import Statistics

6 ECONOMIC IMPACT

Complete the following injury summary for domestic sales of the like or directly competitive product for the most recent five (5) 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.

Accounting Period	2019	2020	2021	2022	2023
SALES VOLUME (in MT)					
(in Million Pesos)					
Revenue					
Cost of Sales					
Gross Profit(Loss)					
Selling & Admin					
EBIT					
(in Peso/Ton)					
Revenue					
Cost of Sales					
Gross Profit(Loss)					
Selling & Admin					
EBIT					
Note: Figures on domestic sales (CM)					

Complete the following cost of production of the like or directly competitive product under protest for the most recent five (5) years available.

* COST OF PRODUCTION

	(in MP)				
	2019	2020	2021	2022	2023
Raw Materials					
CONVERSION COST:					
Direct Labor					
Factory OH					
Variable					
Fixed					
Total Cost to Produce					

Source: Import Accounting Data (IAD) Data

*** Comparison between Landed Cost of Imports and Cost of Sales of Domestic Product:**

in Peso per MT

PERIOD	FOB (in USD)	Landed Cost **	Cost of Sales and Selling & Admin Expenses *	Variance	Average Domestic Price
2019	456				
2020	375				
2021	490				
2022	485				
2023	394				

**Source:*

FOB price: Based on export price from Japan statistics from HP.

Landed Cost: FOB price x FX rate + 1,800 fixed cost

Cost of Sales and Selling & Admin Expenses: From HP internaly data

Average Domestic Price: UZMID's CM average price

* In 2022 - 2023, the domestic industry was forced to sell below cost in order to match with import prices so as to secure volume from customers.

6.1 OUTPUT

6.1.1 Provide details of any decline in the industry's output of the like or directly competitive product for the Philippine market for the last five (5) years.

Production Output (In MT)	Q1	Q2	Q3	Q4	Total	Ave % Inc (Dec)
2019						
2020						
2021						
2022						
2023						

** Source: 2020 Accounting Data*

* The domestic industry's production output decreased by 17% in 2022. 2023 figure includes PM7 additional capacity.

6.2 RAW MATERIALS USAGE

6.2.1 Indicate the utilization of each major raw material used for production of the like or directly competitive product.

	2019	2020	2021	2022	2023
RAW MATERIAL - Fiber (in MT)					
Local Old Corrugate Cartons Local					
Double Lined Kraft					
Mixed Paper					

Sub Total Fiber Consumption	
------------------------------------	--

RAW MATERIAL PRICES	2019	2020	2021	2022	2023
RAW MATERIAL - Fiber (Php/KG)					
Local Old Corrugate Cartons					
Local Double Lined Kraft					
Mixed Paper					

* Source: B2020 Accounting Data

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

Raw Material	Source(s)
1 Local Old Corrugate Cartons	Local
2 Local Double Lined Kraft	Local
3 Mixed Paper	Local

* Note: Indirect Raw Material

* Source: B2020 Divulgement Team

6.3 SALES

6.3.1 Provide details of any decline in the industry's sales of the like or directly competitive product for the last five (5) years.

Domestic Sales Volume (in MT)	Q1	Q2	Q3	Q4	Total CM	Ave % Inc(Dec)
2019						
2020						
2021						
2022						
2023						

Domestic Sales Amount (in MP)	Q1	Q2	Q3	Q4	Total CM	Ave % Inc(Dec)
2019						
2020						
2021						
2022						
2023						

**Source: 2020 Accounting Team*

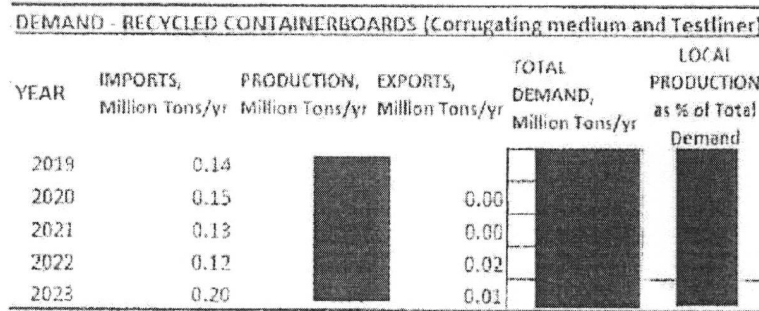
6.3.2 Explain any lost sales due to direct competition from the imported product.

6.3.3 Provide a schedule of volume and value of export sales over the most recent five (5) years available, if possible by month or by quarter.

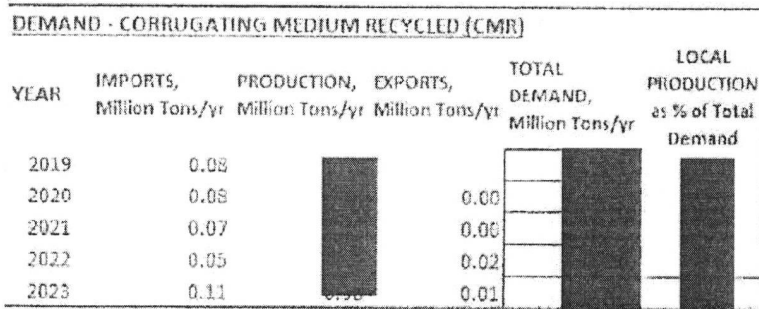
**No export data history. All production are sold domestically*

6.4 MARKET SHARE

- 6.4.1 Provide evidence of the size of the Philippine market, preferably by volume, but otherwise by value, for the last five (5) years.
- 6.4.2 Compare the market share of domestic industry with the share held by imports over the most recent five (5) years where data is available.



*Corrugating medium and Testliner (imports data sourced from BIS-DT.)



*Corrugating medium, recycled (CMR) - imports Data sourced from BIS-DT.

*Source: Same data with PDI Paper.

* The industry's sales volume drastically decreased last 2023 due to surge in imported corrugating medium during the same period. In 2022, industry's sales volume increased due to expansion of major local mills (UPPC and Bataan 2020).

6.5 PRICES

- 6.5.1 Outline the extent to which the increased imports have affected domestic prices for the most recent five (5) years, where data is available.

In Peso per MT

Average CM (Peso/MT)	Q1	Q2	Q3	Q4	Total CM
2019					
2020					
2021					
2022					
2023					

Period	in Peso/MT	
	Average Domestic Price	Cost of Sales Including Admin Selling & Expenses
2019		
2020		
2021		
2022		
2023		

*Note: Figures do not include in-land freight

*Source: B2020 Accounting Team

2020 – Decrease in price due to drastic decrease in demand due to COVID-19 pandemic, demand in the market drastically declined due to shutdown of some businesses leading to increase in unemployment rate and greatly affecting consumer spending.

2021 – Increase in selling price was due to increased overall market demand because of resumption of global economy after the government started the vaccine rollout.

2022 – Increase in selling price as production costs started to significantly increase due to elevated inflation caused by the Russia-Ukraine War.

2023 – *Influx of imported paper due to slow demand in major markets (China, US, Japan). Majority of large foreign paper mills have excess capacity resulting to offering cheap imported prices to 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 of this, majority of paper mills were still forced to shutdown their machines as market share were eaten up by imported mills. Taken collectively, these events seriously affected their overall bottomline as illustrated in their financial statements.*

6.6 PROFITS

6.6.1 Explain how the gross and net profit on the domestic sales of like or directly competitive product have been affected.

This explanation should be consistent with changes in gross and net profit shown on page 16 above.

	2019	2020	2021	2022	2023
Gross Profit Margin					
Operating margin					
Income(Loss) After Interest (in MP)					
Return on Sales					

*Source: B2020 Accounting Team

* Please refer to detailed explanation under part 6.5.1

6.7 PRODUCTIVITY

- 6.7.1 Show how productivity has been affected in the most recent five (5) years, monthly or quarterly if possible.

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

Year	Production Volume (In MT)	No. of Employees	Labor Productivity (MT/Employee)	Ave % Inc (Dec)
2019				
2020				
2021				
2022				
2023				

**Source: B2023 Accounting and Human Resource Team*

**Increase in number of employees during 2023 for additional personnel for the new paper machine (Paper Machine No. 7).*

6.8 RETURN ON INVESTMENTS

- 6.8.1 Show return on shareholder's funds or return on assets, or a similar appropriate measure of return on investment, in terms of net profit for the most recent five (5) years available.

	2019	2020	2021	2022	2023
Revenues					
Current Assets (Average)					
Asset Turnover (No. of Times)					
Asset Turnover (days)					
Return on Sales					
Return on Assets					
Net Income (Loss)					
Stockholders' Equity (Common)					
Return on Equity (Common)					
Return on Equity					
Total Assets (Average)					
Total Equity (Average)					
Equity Ratio					

*Source: B2020 Accounting Team

- 6.8.2 Provide details of how any allocation of shareholder's funds or assets had been made to like or directly competitive product.

6.9 USE OF PRODUCTION CAPACITY

- 6.9.1 State the industry's production capacity for the most recent five (5) years available, if possible on a monthly or quarterly bases, for the like or directly competitive product.

Production Capacity	PM1	PM3		
(In MT)	(Corrugating Medium)	Corrugated Medium		Total
2019				
2020				
2021				
2022				
2023				

**Source: B2020 Production Terms, based on full machine capacity of specified grades*

- 6.9.2 What has been the industry's capacity utilization rate for the periods specified above?

Period	Capacity (in MT)	Actual Production (in MT)	% Utilization	Remarks
2019				
2020				
2021				
2022				
2023				

**Source: B2020 Production and Accounting Terms based on runtime of CN only. Machines produces other grades to fill up the machine time.*

6.10 INVENTORIES

- 6.10.1 Provide details on the effect of increased imports of the product under consideration on the volume and value of inventories of the like or directly competitive products in absolute terms and relative to sales and domestic production for the most recent five (5) years.

Period	Inventory Volume in MT	Inventory Value in Million Pesos
2019		
2020		
2021		
2022		
2023		

Period	Inventory Volume *CM	Ave % Inc (Dec)	Sales Volume *domestic CM	Ave % Inc (Dec)	Production Volume *domestic CM	Ave % Inc (Dec)
2019						
2020						
2021						
2022						
2023						

¹Source: B2020 Accounting Team

* Ending inventory increased by 34% as a result of lower sales in 2023.

6.11 OTHER ADVERSE EFFECTS

6.11.1 Please give evidence to support claims of injurious effects (actual or potential) in any of the following areas for the most recent five (5) years:

Influx of imported corrugating medium forced local mills to decrease their selling prices in order to compete. Despite of this, majority of paper mills were still forced to shutdown their machines as market share were eaten up by imported mills. Taken collectively, these events seriously affected their overall bottomline as illustrated in their financial statements.

Environmental Impact – More solid waste in landfills

More solid waste will go to landfills due to lesser production volume of local paper mills who used recovered paper as 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.

Social Impact – Potential job loss

The influx of cheap imported paper resulted to decreased local production volume causing several paper mills to shutdown. 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 paper to junk shops and baling stations located across the country.

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.

¹Source: Statistics were collected above are based on estimates from FIC PAPPL

6.12 OTHER CAUSES OF INJURY

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

- *Reduction in demand or changes in the pattern of consumption*
- *Restrictive trade practices of, and competition between, overseas and the Philippine producers*
- *Development of technology*
- *The export performance of the Philippine producers.*

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

Moreover, 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.

LOCAL CAPACITY EXPANSIONS

Furthermore, Philippine paper mills also expanded their production capacities by investing in new paper machines last 2022. [REDACTED] almost doubled its annual capacity [REDACTED]. Additionally, [REDACTED] had an additional annual capacity [REDACTED].

6.13 IMPORTS BY THE INDUSTRY

6.13.1 If the industry have imported the subject product in the past five (5) years please provide:

- *Full description of the product*
- *Details of each shipment (including dates of importation, supplier, country of origin, volume and value (FOB and CIF)*
- *An explanation why the industry has imported the subject product*

USDA/DOC has no import of CRB for the last 5 years

*For other details, please refer to Annex 6.13.1 Outsource Details

The new paper machine of B2020's affiliate Amazing Grace Charta Manufacturing Corp, Paper Machine No.7 (PM7) had a commercial run last June 2022 which produces high-strength corrugating medium [REDACTED] The commercial run was originally scheduled earlier but due to the pandemic the facility construction was delayed and extended.

Due to significant increase in capacity, the company did a pre-marketing activity of the corrugating medium that would be produced under PM7 as early as 2021 to secure sales volume.

7 SAFEGUARD MEASURES SOUGHT

- 7.1 Provide a statement on the form and duration of the safeguard measures you would like to be implemented by the government to assist your industry.

in Peso per ton

Period	CIF (in USD)	Landed Cost ** (A)	Cost of Sales and Selling & Expenses *	with 7.5% ROI *** (B)	Safeguard Margin per MT (A-B)
2019					
2020					
2021					
2022					
2023					

Note:

* Figures for Landed Cost, and Cost of Sales and Selling & Admin Expense does not include in-land freight

** Figures are non-vat with duty

*** Computation for Reasonable Amount of ROI:

The safeguard measure we are seeking is **Php 5,574 per metric ton**. This is based on the difference between the landed cost and cost of sales with a reasonable amount of return on Investment in 2023. The industry used the conservative rate 7,5% to get a reasonable amount of return on investment as it is the current rate of interest for bank loans for Q1 2024. With this, the industry deems that the safeguard measure we are seeking is reasonable and logical.

ADJUSTMENT PLAN

- 8.1 Provide a statement on the adjustment plan or set of actions that the domestic producers will undertake for the purpose of improving their competitiveness and adopting to the new market conditions.

RA 8800 – SAFEGUARD MEASURES ACT

Application For Safeguard Measure for Corrugating Medium

I hereby apply for a final extension of the safeguard measures for **CORRUGATING MEDIUM** under the tariff headings:

4805.19.10 4805.19.90 4805.12.10 4805.12.90

from (country/ies of export)

Australia, Austria, Belgium, Canada, China and Hongkong, Finland, France, Germany, India, Indonesia, Italy, Japan, Malaysia, Netherlands, Poland, Russia, Singapore, South Africa, South Korea, Spain, Sweden, Taiwan, Thailand, Turkey, United Arab Emirates, United States of America, and Vietnam

In support of this application I attach evidence of:

- (i) Volume of increased imports
- (ii) Injury to the industry; and
- (iii) A casual link between the increased imports and alleged injury.

and such information as is reasonably available to me in relation to the matters referred to in RA 8800, the Philippine Safeguard Measures Act.

This application is made by **Bataan 2020, Inc. and other members of Pulp and Paper Manufacturers Association of the Philippines (PULPAPEL)** producing like or directly competitive product to those subject to the application comprising a major proportion of the total Philippine production of those products.

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

Signature

Name: Mr. Kirby Tho Beng Ong
Position: Vice President for Sales
Date:

Application for Safeguard Measures Investigation:
NON-CONFIDENTIAL VERSION



13 February 2025

(25-1050)

Page: 1/1

Committee on Safeguards

Original: English

**NOTIFICATION UNDER ARTICLE 12.1(A) OF THE AGREEMENT ON
SAFEGUARDS ON INITIATION OF AN INVESTIGATION AND
THE REASONS FOR IT**

PHILIPPINES

Corrugating Medium

The following communication, dated and received on 13 February 2025, is being circulated at the request of the delegation of the Philippines.*

Further to Article 12.1 (a) of the WTO Agreement on Safeguards, the Permanent Mission of the Philippines to the WTO hereby notifies the Committee on Safeguards of the initiation of a preliminary safeguard investigation on the importation of corrugating medium from various countries.

1 DATE OF INITIATION OF THE INVESTIGATION

Notice of initiation of preliminary safeguard investigation was published on 13 February 2025 in two (2) newspapers of general circulation.

2 PRODUCT SUBJECT TO THE INVESTIGATION

Corrugating medium classified under ASEAN Harmonized Tariff Nomenclature (AHTN) 4805.19.10, 4805.19.90 and 4805.12.00.

3 REASONS FOR INITIATION OF INVESTIGATION PROCEDURE

The investigation was initiated on the basis of import data obtained from official sources and information submitted by members of the Pulp and Paper Manufacturers Association of the Philippines (PULPAPEL) that increased imports of corrugating medium are a substantial cause of serious injury to the domestic industry.

The investigation has been initiated to determine whether safeguard measures are warranted.

* A copy of the application of cement industry and the notice of the initiation of a preliminary safeguard investigation have been submitted electronically. To consult this document, please contact Ms Anne Richards of the Rules Division (anne.richards@wto.org).