

Department Administrative Order No. **23-04**  
Series of 2023

**IN THE MATTER OF THE PRELIMINARY  
DETERMINATION OF THE SAFEGUARD  
MEASURES INVESTIGATION ON THE  
IMPORTATION OF LIQUIFIED PETROLEUM  
GAS (LPG) STEEL CYLINDER FROM VARIOUS  
COUNTRIES (AHTN Code 7311)  
(Safeguard Measures Case No. SG01-2023)**

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**ORDER**

Ferrotech Steel Corporation filed a Petition for safeguard measures on the importation of Liquefied Petroleum Gas (LPG) Steel Cylinder under ASEAN Harmonized Tariff Nomenclature (AHTN) Code 7311 from various countries. The period of investigation covered imports from 2017 to 2021.

The Department, acting under Section 7 of RA 8800, the "Safeguard Measures Act", and on the basis of evidence and submissions of interested parties, established after preliminary investigation the existence of a causal link between the increased imports of the products under consideration and serious injury to the domestic industry. The increased volume of imports, both in absolute terms and relative to domestic production, was found to be the substantial cause of the over-all impairment in the local industry.

Further, pursuant to Section 8 of RA 8800 which provides that, "*in critical circumstances where a delay would cause damage which would be difficult to repair, and pursuant to a preliminary determination that increased imports are the substantial cause of serious injury to the domestic industry*", a provisional safeguard measure in the form of a cash bond amounting to ₱2.18/kg on imported LPG steel cylinders under AHTN Code 7311, shall be imposed while the case is under formal investigation by the Tariff Commission, for a period of Two Hundred (200) days from the date of issuance by the Bureau of Customs of an Order.

Imports originating from developing countries listed in Annex "A" covered by Rule 8.8 of the IRR of RA 8800 shall not be subject to the provisional safeguard measure.

Importers of LPG Steel Cylinder from a country that is exempt from the safeguard duty shall submit a Certificate of Origin (CO) issued by the authorized agency/office in the source country of manufacture, subject to affixation of "Apostille" to the document or authentication by the Philippine Embassy/Consulate General, as applicable.

Moreover, Rule 5.2 of the Implementing Rules and Regulations (IRR) of RA 8800 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: x x x (ii) the extent to which such imposition will cause a shortage of a product under consideration in the domestic market*".

**OFFICE OF THE SECRETARY**



Accordingly, the DTI has established that the imposition of the provisional safeguard measure shall be in the public interest. With the commitment of the domestic industry to upgrade its facilities, and improve its production efficiency, consumers will have a better and wider range of products to choose from at competitive prices. However, while DTI is mandated to protect consumers, there is a need to balance this with the other sectors such as the investors and industries which provide employment to Filipinos. There is also a need to moderate imports to balance trade. If local manufacturers can adequately supply domestic requirements, they need to be provided a level playing field to enable them to compete with imports. This will allow the expansion of the industry's manufacturing base and sales which will generate more jobs for Filipinos and allow the continuity of employment for the existing employees of the industry.

Further, users of LPG steel cylinder will retain their option to choose between the local and imported LPG steel cylinder since imports will still be allowed. The imposition of the safeguard measure will only be temporary and is not expected to cause shortage of LPG steel cylinder in the domestic market considering that the LPG steel cylinder manufacturers have sufficient capacity to meet the domestic demand.

**WHEREFORE, IN VIEW THEREOF**, the case records will be transmitted to the Tariff Commission for the conduct of a formal investigation to determine whether or not there is a need to impose a definitive safeguard measure.

The non-confidential report of the preliminary safeguard measures investigation can be accessed at the DTI website: <https://bit.ly/sg-preliminary-lpg>

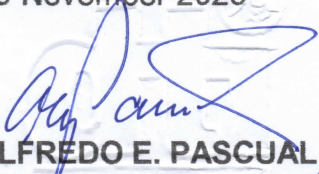
The notification and consultation requirements under Article 12 of the WTO Safeguards Agreement and Section 17 of RA 8800 and its IRR shall be complied with. Imports originating from ASEAN member states shall be governed by the provisions of Articles 11 and 23 of the ASEAN Trade in Goods Agreement (ATIGA). Other imports originating from member states of Free Trade Agreements that the Philippines entered into, such as ACFTA, PJEPA, AJCEPA, AKFTA, AIFTA, AANZFTA, PH-EFTA FTA, RCEP and AHKFTA shall follow the notification and/or consultation requirements provided under the said FTAs.

Let this Order be published in two (2) newspapers of general circulation and let individual notices be sent to all interested parties including the country members concerned.

This Order shall take effect upon the issuance of the relevant Customs Memorandum Order by the Bureau of Customs.

SO ORDERED.

29 November 2023

  
**ALFREDO E. PASCUAL**  
Secretary

## ANNEX A

**List of Developing Countries and Separate Customs Territories  
Excluded from the Imposition of Provisional Safeguard Measure  
on LPG Steel Cylinders**

| <b>East &amp; Southern Africa</b> | <b>West Africa</b>   | <b>North Africa</b> | <b>South Asia</b>              |
|-----------------------------------|----------------------|---------------------|--------------------------------|
| Angola                            | Benin                | Algeria             | Afghanistan                    |
| Botswana                          | Burkina Faso         | Egypt, Arab Rep.    | Bangladesh                     |
| Burundi                           | Cameroon             | Libya               | Bhutan                         |
| Comoros                           | Cape Verde           | Morocco             | British Indian Ocean Territory |
| Congo. Dem. Rep.                  | Central African Rep. | Tunisia             | Timor-Leste                    |
| Djibouti                          | Chad                 |                     | India                          |
| Eritrea                           | Congo, Rep.          |                     | Maldives                       |
| Eswatini                          | Cote d' Ivoire       |                     | Nepal                          |
| Ethiopia                          | Equatorial Guinea    |                     | Pakistan                       |
| Kenya                             | Gabon                |                     | Sri Lanka                      |
| Lesotho                           | Gambia, The          |                     |                                |
| Madagascar                        | Ghana                |                     |                                |
| Malawi                            | Guinea               |                     |                                |
| Mauritius                         | Guinea, Bissau       |                     |                                |
| Mozambique                        | Liberia              |                     |                                |
| Namibia                           | Mali                 |                     |                                |
| Rwanda                            | Mauritania           |                     |                                |
| Seychelles                        | Niger                |                     |                                |
| Somalia                           | Nigeria              |                     |                                |
| South Africa                      | Sao Tome &           |                     |                                |
| Sudan                             | Principe             |                     |                                |
| Tanzania                          | Senegal              |                     |                                |
| Uganda                            | Sierra Leone         |                     |                                |
| Zambia                            | Togo                 |                     |                                |
| Zimbabwe                          |                      |                     |                                |



| Europe & Central Asia   | Middle East  | Americas   | East Asia & Pacific   |
|---|--|--|---|
| Armenia<br>Azerbaijan<br>Georgia<br>Kazakhstan<br>Kyrgyzstan<br>Tajikistan<br>Turkiye<br>Turkmenistan<br>Uzbekistan | Bahrain<br>Iran, Islamic Rep.<br>Iraq<br>Jordan<br>Kuwait<br>Lebanon<br>Oman<br>Qatar<br>Saudi Arabia<br>Syrian Arab Rep.<br>United Arab Emirates<br>West Bank & Gaza<br>Yemen, Rep. | Anguilla<br>Antigua & Barbuda<br>Argentina<br>Aruba<br>Bahamas<br>Barbados<br>Belize<br>Bermuda<br>Bolivia<br>Brazil<br>British Virgin Is.<br>Cayman Is.<br>Colombia<br>Costa Rica<br>Cuba<br>Dominica<br>Dominican Rep.<br>Ecuador<br>El Salvador<br>Falkland Is.<br>(Malvinas)<br>Grenada<br>Guatemala<br>Guyana<br>Honduras<br>Jamaica<br>Mexico<br>Montserrat<br>Netherland Antilles<br>Nicaragua<br>Norfolk Is.<br>Panama<br>Paraguay<br>Peru<br>Puerto Rico<br>St. Helena<br>St. Kitts & Navis<br>St. Lucia<br>St. Vincent & the<br>Grenadines<br>Suriname<br>Trinidad & Tobago<br>Turks & Caicos Is.<br>Uruguay<br>US Virgin Is.<br>Venezuela | American Samoa<br>Brunei Darussalam<br>Cambodia<br>Cook Is.<br>Fiji<br>French Polynesia<br>Guam<br>Hong Kong, China<br>Indonesia<br>Kiribati<br>Korea, Dem. Rep.<br>Lao PDR<br>Macau, China<br>Malaysia<br>Marshall Islands<br>Micronesia, Fed. Sts.<br>Mongolia<br>Myanmar<br>Nauru<br>New Caledonia<br>Niue<br>Northern Marianas Is.<br>Palau<br>Papua New Guinea<br>Pitcairn Is.<br>Samoa<br>Singapore<br>Solomon Islands<br>Chinese Taipei<br>Tokelau<br>Thailand<br>Tonga<br>Tuvalu<br>Vanuatu.<br>Wallis & Futuna Is. |