
Petition for Anti-Dumping Duties

PRODUCT:

Plaster Boards, Sheets, Tiles and Similar Articles, Not Ornamented, Faced or Reinforced
with Paper or Paperboard Only
(Gypsum Board / Plasterboard)

IMPORTED FROM:

Thailand

PREPARED BY:

Knauf Gypsum Philippines, Inc.
November 25, 2022

PUBLIC VERSION

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

Knauf Gypsum Philippines, Inc.

1.2. Address

Km. 117 National Highway, Calaca Industrial Seaport Corp.
Brgy. Lumbang Calzada, Calaca, Batangas 4212

1.3. Phone

Landline: +63 2 8878 0040

Mobile: +63 917 627 0948 / +63 917 505 3080

1.4. Fax

Not Applicable.

1.5. Email Address

lo.Sarmiento@knauf.com

regina.palad@knauf.com

mark.sergio@knauf.com

jmr@macropharmacorp.com

1.6. Names and titles of contact people for this case

Io Dominique Sarmiento – Finance Head

Regina L. Palad – Governance and Compliance Manager

Mark Dewey N. Sergio – Managing Director

Rivera Santos & Maranan Law Offices:

Atty. Jose Salvador Rivera

Atty. E. Hans Santos

Atty. Godfrey Camaligan

1.7. Ownership Details

75% owned by Knauf International GmbH, 25% owned by DEG-Deutsche Investitions-Und, <0.01% owned by others. Within Appendices

SEC Certificate of Incorporation.

Within Appendix 2 is the

1.8. Details of company accounting year

Calendar – January through to December

1.9. List All Products Manufactured and/or Sold

Manufactured in Philippines¹

- Standard Shield 9 1220 2440
- Standard Shield 12 1220 2440
- Standard Shield 15 1220 2440
- Span Shield 10 1220 2440
- Fire Shield 13 1220 2440
- Fire Shield 16 1220 2440
- Moisture Shield 9 1220 2440
- Moisture Shield 12 1220 2440
- Multi Shield 13 1220 2440
- Multi Shield 16 1220 2440
- Dense Shield 13 1220 2440
- Dense Shield 16 1220 2440

From time to time, other widths and lengths are produced of the products above to meet special requests from customers.

Imported:

- Joint Compound 20kg bag
- Premix 28kg pail
- Mineral Fiber Ceiling Tiles

¹ Numbers represent Thickness Width Length in mm.

1.10. Describe your distribution channels

The Applicant sells through independent distributors. These independent distributors then on-sell to retailers, builders and contractors. Retailers sell onto builders, developers, and contractors. The contractors and builders/developers co-ordinate the labor for the installation of the product.

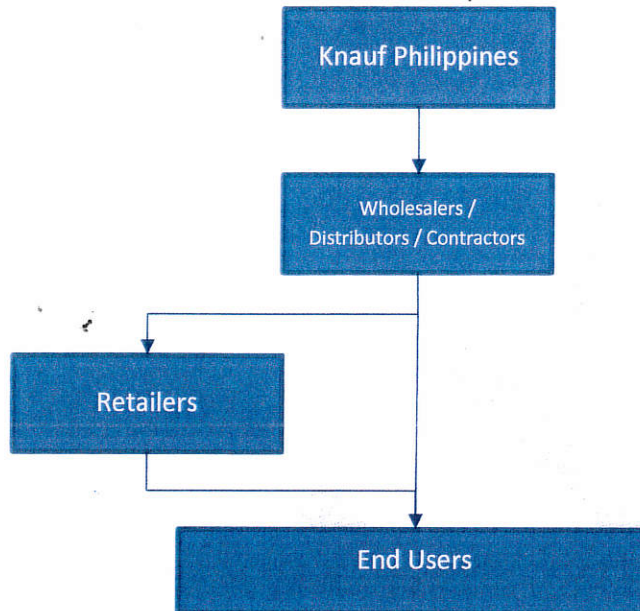


Figure 1 Distribution Channel for the Applicant

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

To produce the 'like product' manufactured in the Philippines, the Applicant imports raw materials such as gypsum, paper linerboard and some additives that are not available from local sources. Knauf Gypsum Philippines, Inc. has a philosophy to use local material if available and meet the quality criteria.

Plaster or stucco is produced by calcining gypsum (Calcium Sulphate) by heating to a temperature to produce chemical conversion of Gypsum to Plaster.

Before calcination, the raw gypsum rock is generally dried and finely ground, however, some processes can dry, grind, and calcine the gypsum in one operation.

The plaster or stucco produced, when mixed with water, undergoes a reverse reaction (rehydration), reverting to gypsum.

Plaster board, or gypsum board in this classification is manufactured by mixing the above plaster with water and some additives and extruding the resultant slurry between continuous layers of paper liner board. The paper facilitates manufacture, gives a good surface finish to the product, and provides reinforcement for the normally brittle gypsum core.

The paper enclosed slurry is conveyed on a forming conveyor that imparts a flat surface to the face of the board, holding it while the setting (rehydration) reaction hardens the core.

Once a certain time has elapsed and the plaster is set sufficiently hard, the sheets are cut to size, and fed into a board dryer. The dryer removes the excess moisture from the board, which is then stacked ready for storage or shipping.

In some processes, the board length is further trimmed before stacking, and a tape is applied to the ends of the board.

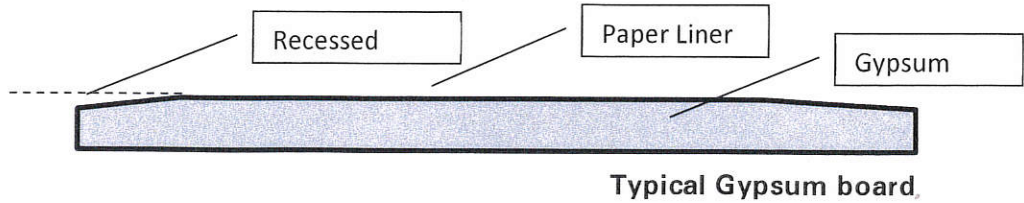


Figure 2 Typical Gypsum Board Cross-Section

Typically, the major raw materials are Liner Paper, Gypsum, Energy, Additives.

The manufacturing process is given in Appendix 3.

2. Other Philippines Producers

No other producers.

2a Summary of Philippine Producers

**Total Philippine Domestic Production of Like Products for the Past Four (4) Years
(During the period 09/01/2018 to 09/30/2022)**

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.

Producer	Total Quantity (m ²)	Total Quantity (kgs)*	Qty of 9mm and 12mm (kgs)
Knauf Gypsum Philippines, Inc.			
Total A			

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

Producer	Quantity (m ²)	Quantity (kgs)	Qty of 9mm and 12mm (kgs)
N/A	0 m ²	0 kg	0 kg
Total B	0 m²	0 kg	0 kg

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

Producer		Quantity(m ²)	Quantity (kgs)	
N/A		0 m ²	0 kg	0 kg
	Total C	0 m²	0 kg	0 kg

Item

Total domestic production (i.e. Total A + Total B + Total C)	Total D			
Total domestic production of those producers who have, in writing, expressed support or opposition to the application. (i.e. Total A + Total B)	Total E			

Total A as % of Total D	100%	100%	100%
Total A as % of Total E	100%	100%	100%

* 1 m² = 7.1 kgs

3. The Product Please describe the allegedly dumped Product

The Applicant will focus on the two like products of Core Standard boards namely 9mm and 12mm which accounts for approximately 90% of the gypsum board imports under HS Codes: 6809110000 and 68091990000.

The Applicant alleges that two major parties are dumping the Product in the Philippines, Thai Gypsum Products PCL (known as Saint-Gobain, Gyproc) and Gypmam Tech Company Limited (known as Eastberg). Both parties are exporting products from Thailand. To a lesser extent Siam-Indo is also alleged to be engaging in a minor amount of dumping from Indonesia, however the exports from Indonesia aren't considered to be causing significant injury as of this filing.

The following is an extract from the website of Saint-Gobain Philippines Co. Ltd., Inc.; "Gyproc Plasterboards are the ultimate lining solution for today's buildings, providing high levels of fire, sound, thermal, moisture and impact resistance to create modern internal environments that offer comfort and safety for building occupants. Gyproc Plasterboards are lightweight and easy to install providing high-quality, high-performance linings for walls and ceilings, lift shafts and stairwells, corridors and auditoria, in buildings as diverse as houses, schools, hospitals and cinemas. Our plasterboards are accredited by BS / ASTM quality standards."

A product brochure of Saint-Gobain Philippines Co. Ltd., Inc. can be found within Appendix 4. Additionally, their website (www.gyproc.com.ph/products/gyproc-plasterboards) describes their products, samples of which are located in Appendix 5.

The website of Gypmam Tech Company Limited (www.gmgypsum.com/product/) contains describes their products, samples of which can be located within Appendix 6.

Both of the Products as shown from the literature are Gypsum Boards comprising a core of hardened gypsum enclosed by a reinforcing layer of paper linerboard. There are a variety of variants of these cores which each aim to achieve specific additional technical properties (e.g. fire resistance) through the addition of additives. The main core component remains gypsum.

3.1. Please provide the tariff classification, statistical code and tariff duty for the allegedly dumped product.

Tariff Schedule: MFN

Current tariff rate: 5% (see note below, effective 0% for the allegedly dumped product)

HS Codes: the products are imported under both 6809110000 and 68091990000.

The Applicant notes that some products imported under 68091990000 are gypsum boards with some other laminated surface, however, looking at the descriptions the majority are clearly gypsum boards which are the same as the like product and as such both HS codes are used for analysis throughout the application.

The Applicant further notes that the importers allegedly dumping products are from countries being ASEAN members, and thus would make applications for tariff exemption (Zero Tariff Rate).

3.2. Please describe the like products produced by Philippine industry.

The Applicant, Knauf Gypsum Philippines, Inc., was the first to make investment in the Philippines to establish local production of the product. Commissioning concluded in late 2018. The Applicant was awarded a pioneer status and provided an income tax holiday for a period of 5 years.

The Applicant produces a Gypsum Board which consists of a core of hardened extruded gypsum enclosed in a reinforcing layer of paper linerboard. The appearance of the product is paper surfaced, with the gypsum core being visible at the cut ends of the board. The chemical composition of the core is Calcium Sulphate (gypsum), with minor amounts of other additives present.

The board can also be supplied in a number of core compositions for enhanced resistance to certain properties (e.g. fire, moisture, etc.). Whilst these core compositions may contain additional reinforcing (e.g. fiberglass), they are primarily gypsum, and the fundamental reinforcement of the gypsum board is the paper liner.

The edges of the board are generally formed square, or with a recessed edge to allow flush jointing of two boards together, although other edge types are also possible.

The board can be supplied in a range of thicknesses (normally from 6mm to 25mm), and any widths (normally from 600mm to 1400mm), and lengths (normally from 1800mm to 6000mm). It can also be supplied pre sawn into tile and panels into any sizes.

The weight of the product is dependent on the thickness and core type. For the standard core:

- 9mm thick is approximately 5.37kg/m²
- 12mm thick is approximately 7.89kg/m²

Source: Knauf's standard recipe.

The following table shows examples of the specific products sold in the Philippines market in the last 12 months by the Applicant.

Core Type	Typical Thicknesses	Typical Widths	Typical Lengths
Standard (Standard Shield)	9mm, 12mm, 15mm	1220mm 4'	2440mm 8'
Span Resistant (Span Shield)	10mm	1220mm 4'	2440mm 8'
Fire Resistant (Fire Shield)	12mm, 13mm, 15mm, 16mm	1220mm 4'	2440mm 8'
Moisture Resistant (Moisture Shield)	9mm, 12mm	1220mm 4'	2440mm 8'
Fire & Moisture Resistant (Multi Shield)	12mm, 13mm, 15mm, 16mm	1220mm 4'	2440mm 8'
Dense (Dense Shield)	12mm, 13mm, 15mm, 16mm	1220mm 4'	2440mm 8'

Product brochures for the Applicant are contained within Appendix 7.

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

The products locally produced by the Applicant share the same physical properties and are used for the same purposes as the allegedly dumped products. The exact manufacturing process may differ between each producer, however, the key attributes of the product are the same:

- Gypsum core (potentially with additional additives for additional technical performance);
- Encasing Paper linerboard
- Widths generally of 1220mm (4') and lengths of generally 2440mm (8')

Both the allegedly dumped products and locally produced products serve the same purpose for the end user: to clad the internal linings of buildings, as is demonstrated by the literature and websites of the producers of the allegedly dumped products.

4. Allegedly Dumped Products

4.1. Name the countries of origin or export of the allegedly dumped product.

- Thailand

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

- Indonesia
- China

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 dumped products, if individually they comprise less than 3% of total imports.

The table below is an extract summary of data that the Applicant has obtained from DTI on the imported kilograms of the allegedly dumped HS Codes 68091100000 / 68091990000:

Country	2016-2022 (Sept) PB Imports - in kgs	% Share in Total PB Imports	Standard Core (9mm and 12mm boards only)*	% Share in Total PB Imports
China	108,629,862	14%	97,766,875	14%
Indonesia	75,925,383	10%	68,332,845	10%
Thailand	584,013,133	74%	525,611,820	74%
Various	20,247,969	2%	18,223,172	2%
Grand Total	788,816,347	100%	670,493,895	100%

**estimated at 90% of the gypsum imports are Core Standard Boards (9mm and 12mm)*

As is demonstrated in the estimate above, Thailand accounts for approximately 74% of the allegedly dumped products. Indonesia additionally accounts for another 10% of the imports. The remaining imports primarily come from China at 14% and the rest from various countries accounting for 2% of which any impacts of dumping are less severe.

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

Thailand

THAI GYPSUM PRODUCTS PCL
(Brand: Gyproc, Gypline)



GYPMAM TECH COMPANY LIMITED
(Brand: GM, Eastberg)

THE SIAM GYPSUM INDUSTRY SARABURI CO LTD
(Brand: Elephant on Board, USG Boral, Boral)

The Applicant will not consider the imports of The Siam Gypsum Industry Saraburi in the analysis throughout this document, primarily for three reasons:

- All the imports are to a related company requiring substantially more estimations;
- Since 1 April 2021, a related entity to the Applicant, and as such the Applicant can provide influence (and will seek to localize manufacture) to limit the alleged dumping activity; and
- The named importer demonstrates the highest market pricing in the Philippines.

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

Importer	Address	Nature
Cebu Evergreen Industries Inc.		Wholesaler
Cei Building Solutions Inc.		Wholesaler
Deco Arts Marketing Inc.		Wholesaler
Jea Steel Industries Inc.		Wholesaler
Lexus Industrial Enterprise Corp.		Wholesaler
Saint Gobain Philippines Co Ltd Inc		Sister Company of Thai Gypsum Products (Wholesaler)
Skydragon Construction Products Inc		Wholesaler
Ultra Petronne Interior Supply Corp		Wholesaler
Central Lumber Corporation		Wholesaler
Boral Plasterboard Philippines, Inc.		Sister Company of The Siam Gypsum Industry (Wholesaler)

4.6. Indicate when the allegedly dumped products began causing injury.

There has been substantial continued competition with imported product for many years, especially since the Applicant invested and commenced local production in 2018.

The injury was exacerbated during 2020 when the entire region experienced a decline in demand and the overseas producers alleged to be dumping who have excess capacity in their local markets, having an advantage to fill the capacity so long as they cover their variable costs.

The impact of the injury was compounded when Gypmam Tech Company began importing the products in late 2020, suspected due to their lower utilization in their domestic market.

The injury is current and is expected to continue as the Thai manufacturers maintain a strong drive and continue to offer reducing prices, especially in areas such as Cebu where the Applicant must also sea freight the goods, to maintain higher levels of utilization.

5. Export Price

5.1. Provide the export price of the allegedly dumped product.

The export price from these Thai manufacturers / exporters who are allegedly dumping are:

Exporter	Like Products	Export Price (Php per kgs)
Gyproc	9mm	
	12mm	
Gypline	9mm	
	12mm	
Gypmam	9mm	
(TOA)	12mm	

The Applicant has made the calculations using the price per kilogram of standard boards for direct comparability of like products. Calculation of the export price can be found in 5.3.

Calculation of the ex-factory export price is based on the Philippine Government import statistics using customs code 68091100000 less adjustments for associated costs to land the product.

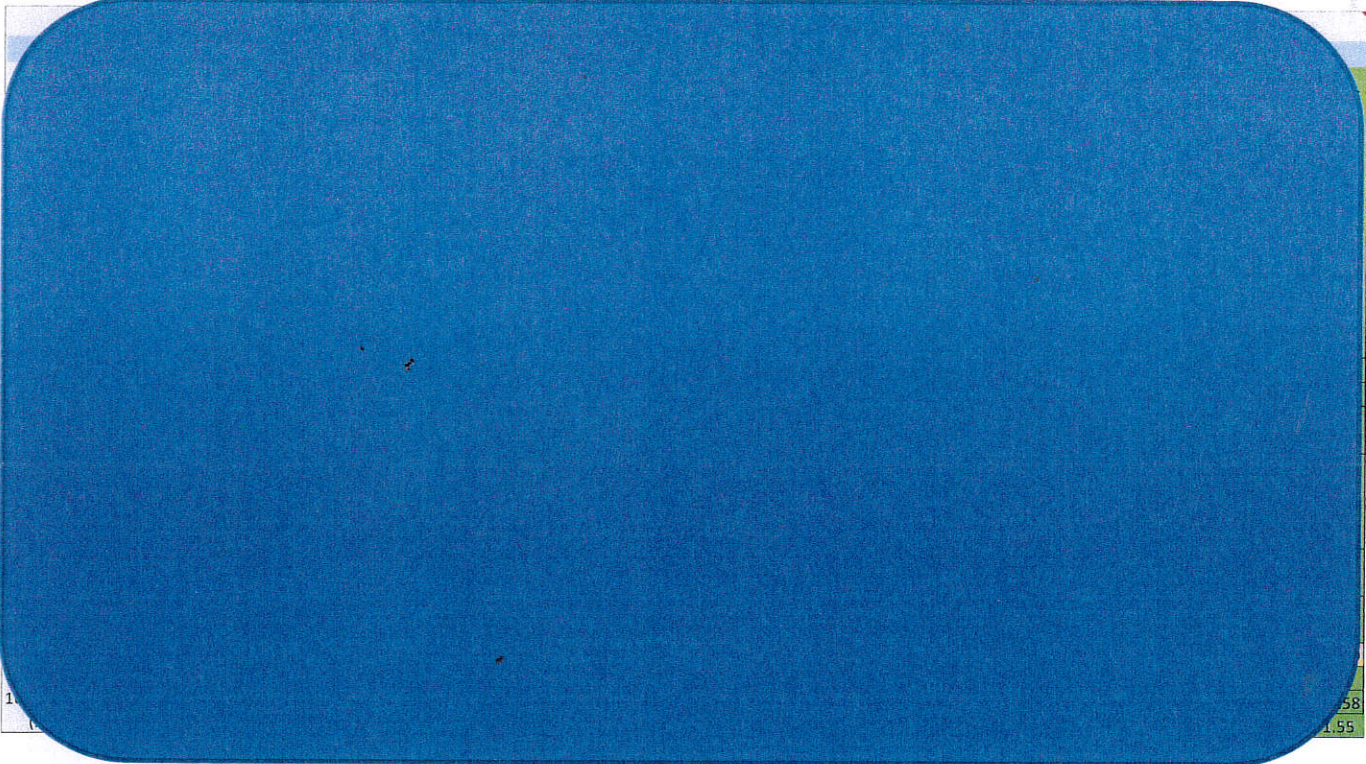
5.2. Please explain why the sales are not at arm's length, if this is the case, and why this means that prices may not be reliable for determining dumping.

The sales considered are at arm's length.

5.3. Construct an export price and provide evidence of the price for the allegedly dumped product at the first point of resale to an independent purchaser in the Philippines and any costs incurred between exportation and that sale.

The Applicant estimates of the average ex-Thailand export price (VAT-Ex):

- 12mm Std Board [REDACTED]
- 9mm Std Board is [REDACTED]

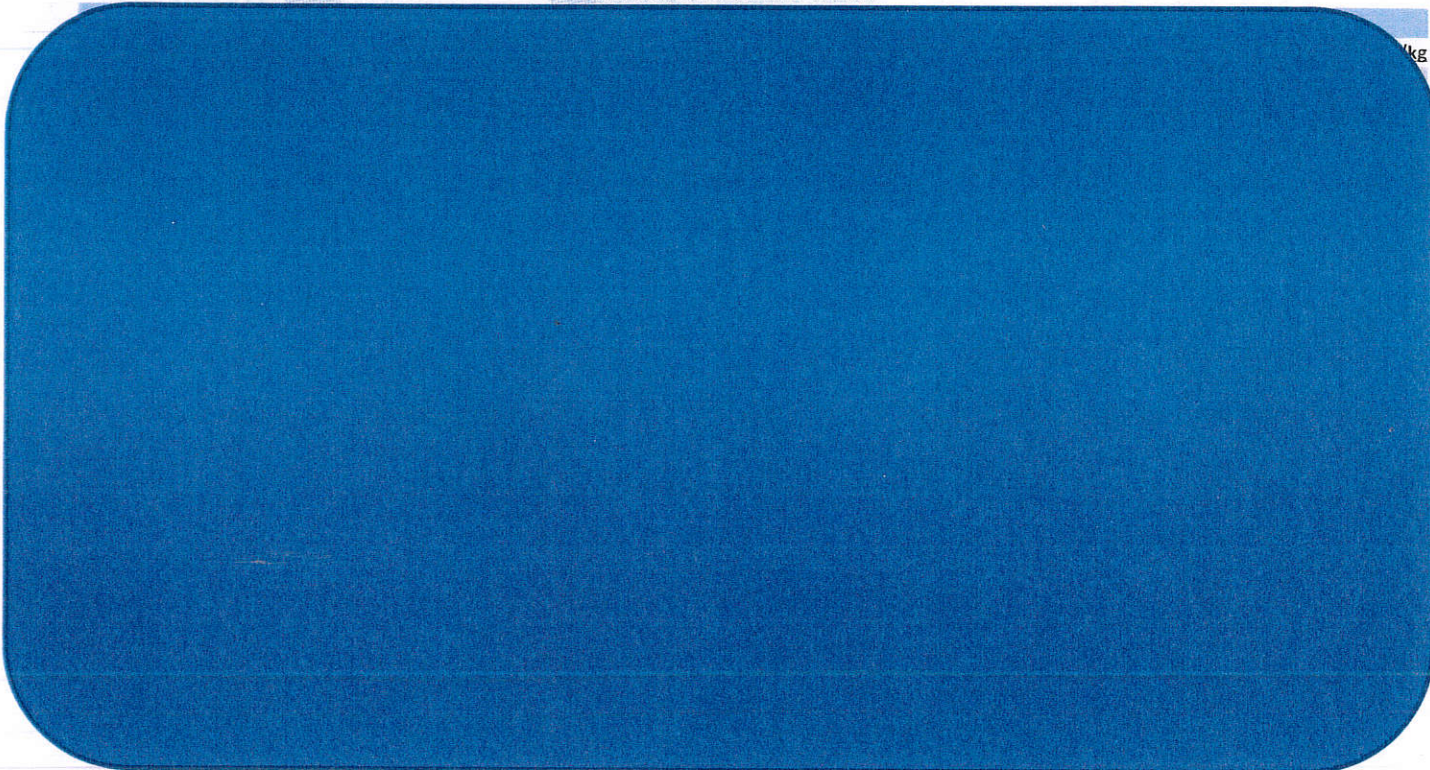


6. Normal Values

6.1. Please state the normal value for the allegedly dumped product on the domestic market in the country of origin.

The below assumes a currency conversion of 1 THB = 1.55 PHP.

THAILAND'S NORMAL VALUE



4



6.3. Please state any factors affecting the comparability of prices for export sales and domestic sales, e.g. quantities sold, conditions and terms of sales, level of trade, taxation or physical differences.

The Applicant is unaware of any differences affecting price comparability.

6.4. What amounts should be allowed for the factors in item 6.3 above?

The Applicant is unaware of any differences affecting price comparability.

6.5. Describe how estimates were determined and the information on which they were based on such other factors considered – the differences in technology, equipment, labor, raw material costs, or for economies of scale.

The Applicant is unaware of any differences affecting price comparability.

6.6. If there are other producers/sellers of the allegedly dumped product in the domestic market of the country of export, please provide names and addresses

KNAUF GYPSUM (THAILAND) CO.,LTD



THE SIAM GYPSUM INDUSTRY SARABURI CO LTD



TOA PAINT (THAILAND) PUBLIC COMPANY LIMITED



XIN YUAN DA (THAILAND) COMPANY LIMITED



ASIA GYPSUM PRODUCT COMPANY LIMITED



7. Dumping Margin

7.1. Show the difference between the normal value and export price of each product, type, or model of the allegedly dumped product or article. Please ensure that the normal value and export prices are expressed in the same currency.

Specific to Core Standard Boards, below table shows the dumping margin of the two exporters allegedly dumping like products:

Like Products	Normal Value (Php per kgs)	Export Price (Php per kgs)	Price Difference (Php per kgs)	Dumping Margin %
Average				
9mm				
12mm				

Following table shows the breakdown per Exporter:

Price Difference and Dumping Margin					
Exporter	Like Products	Normal Value (Php per Sheet)	Export Price (Php per Sheet)	Price Difference (Php per Sheet)	Dumping Margin
Gyproc	9mm				35%
	12mm				49%
Gypline	9mm				3%
	12mm				9%
Gypmam (TOA)	9mm				-37%
	12mm				-16%

Exporter	Like Products	Normal Value (Php per kgs)	Export Price (Php per kgs)	Price Difference (Php per kgs)	Dumping Margin %
Gyproc	9mm				35%
	12mm				49%
Gypline	9mm				3%
	12mm				9%
Gypmam (TOA)	9mm				-37%
	12mm				-16%

Gypmam (TOA) / Eastberg substantially increased their price for 9mm in 2022.

Injury

To prevent further injury during the period of the investigation, the Applicant would request that the assessor consider applying provisional anti-dumping duties if the investigation is not complete within 60 days.

8. Increased Import Volume

8.1. State quantities of imports of the allegedly dumped product.

The below table summarizes the total imports based on Philippine Government Customs data of HS codes 68091100000 and 68091990000. Import volume did decrease in 2020, however, this must be considered in respect with the lower demand due to the COVID pandemic. The decrease in 2019 was largely when the Applicant attempted to gain market share but was only able to do so by negatively impacting the price, as shown in point 9. (*9mm and 12mm Import volume is estimated at 90% of the Total Thai imports)

Year	Thailand, including Applicant ² (kg)	Thailand, excluding Applicant (kg)	Thailand, inc. Applicant (kg)-9&12mm Only*	Thailand, exc. Applicant (kg) - 9&12mm Only*
2016	97,102,149	97,024,843	87,391,934	87,322,359
2017	121,058,542	112,388,098	108,952,688	101,149,288
2018	118,954,015	109,055,048	107,058,613	98,149,544
2019	93,278,819	93,278,819	83,950,937	83,950,937
2020	59,311,913	59,311,913	53,380,722	53,380,722
2021	68,550,293	68,550,293	61,695,264	61,695,264
2022(Sept)	25,757,402	24,699,799	23,181,662	22,229,819

8.2. State dollar value of imports of the allegedly dumped product.

The below table summarizes the total imports based on Philippine Government Customs data of HS codes 68091100000 and 68091990000. The value shown is the declared customs values and includes transactions to related companies of exporters and importers.

Year	Thailand, inc. Applicant (USD)	Thailand, inc. Applicant (PHP)	Thailand, exc. Applicant (USD)	Thailand, exc. Applicant (PHP)
2016				
2017				
2018				
2019				
2020				
2021				
2022(Sept)				

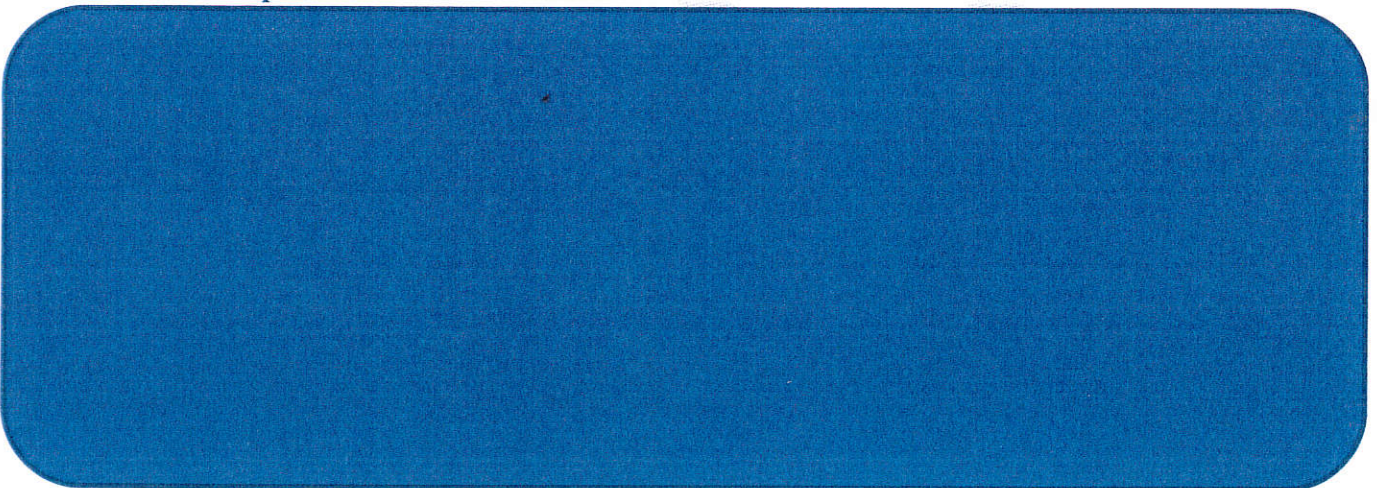
² As has been noted later in the application, the Applicant imported some product during commissioning.

As the Applicant will focus on 9mm and 12mm boards, below is the estimated values of imports pertaining to the two like products:

Year	Thailand, inc. Applicant (USD)	Thailand, inc. Applicant (PHP)	Thailand, exc. Applicant (USD)	Thailand, exc. Applicant (PHP)
2016				
2017				
2018				
2019				
2020				
2021				
2022(Sept)				

9. Price Effects

9.1. Outline the extent to which the allegedly dumped products are price undercutting like domestic products.

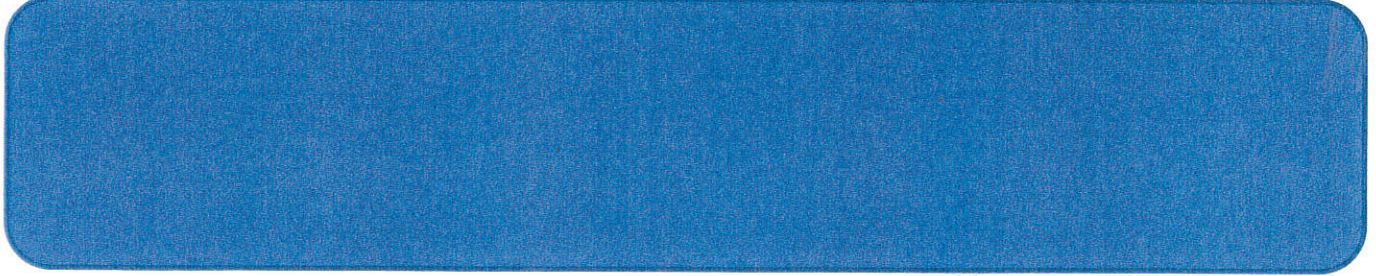


In the attempt to recover the rising material costs, the applicant increased the prices in 2021. However, it hasn't recovered much as it poses threat via losing more shares in the market as a result of the dumped products low pricing (Refer to 9.2).

Freight cost from the Manufacturing Plant to customers shown below:

Period	Freight per Sheet		Freight per Kg (Php)	
	9mm	12mm	9mm	12mm
2018 (Oct-Dec)	10.31	11.20	0.64	0.48
2019	10.59	11.60	0.66	0.49
2020	10.59	11.60	0.66	0.49
2021	11.25	12.16	0.70	0.52
2022(Jan-Sept)	20.87	23.86	1.31	1.02

9.2. Outline the extent to which the allegedly dumped products are causing price depression:



9.3. Outline the extent to which the allegedly dumped products have caused price suppression.



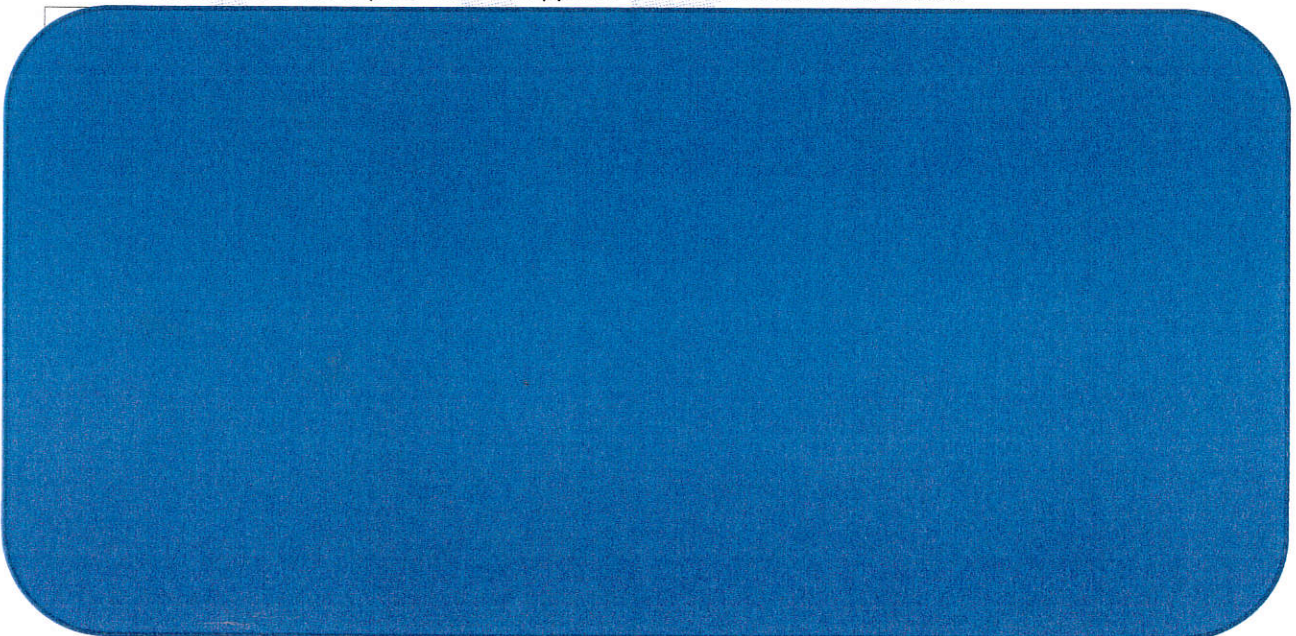
The Applicant experienced an average cost of production increase of approximately 7.4% from H1 2019 to H2 2020. The Applicant was only able to increase prices by 6.3% in the same period and did so at the expense of approximately 8% market share and volume loss.

10. Economic Impact

Injury Summary

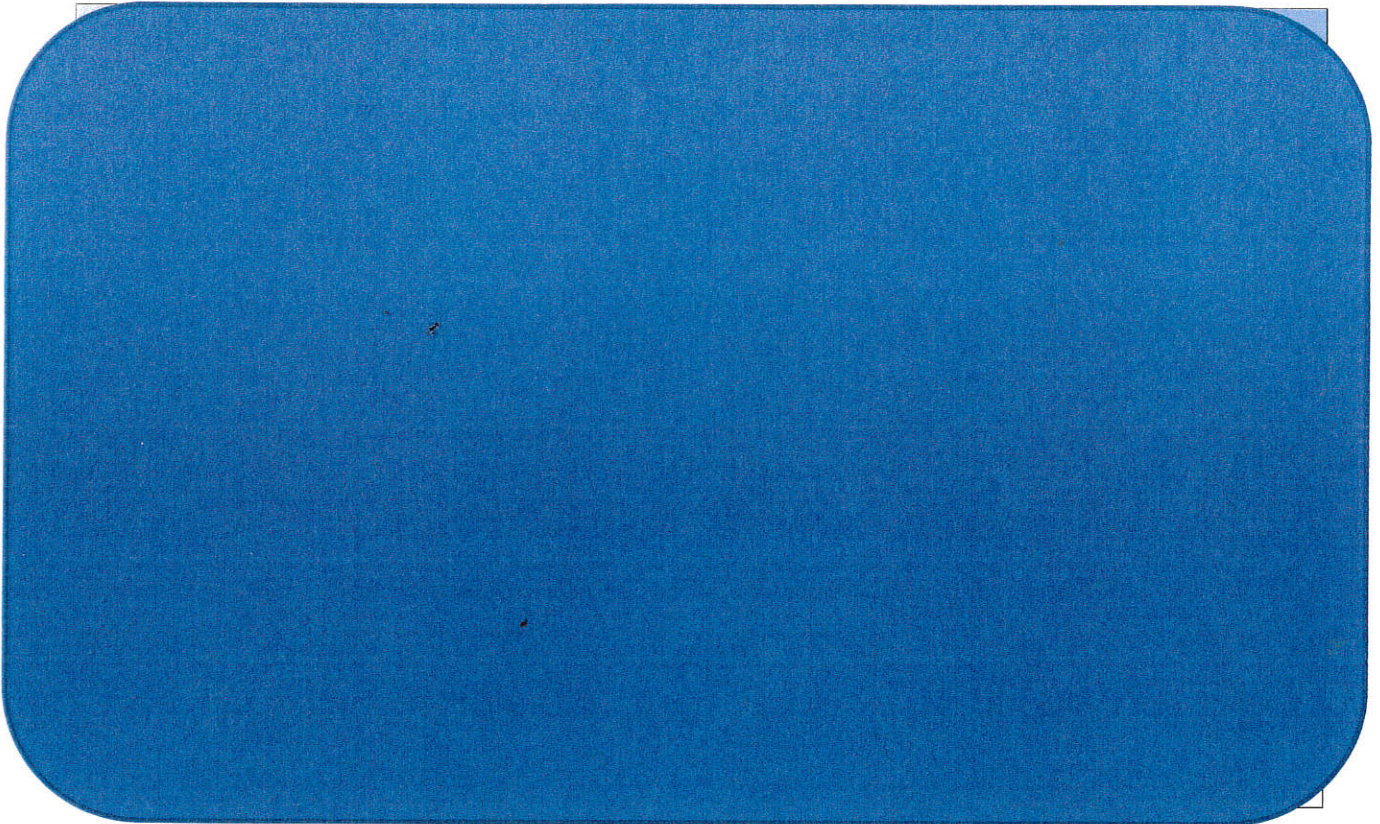
The Applicant began local production towards the end of 2018. To provide an accurate representation of the impact to local industry, the Applicant will provide a snapshot of results from October 2018 to September 2022.

All values in the below tables are expressed in Philippine Pesos unless otherwise noted.



10.1. OUPUT

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



Above table depicts the local industry output (in kgs), being that of the Applicant. Due to the pandemic and its impact on demand, this has been normalized over market share³ of the Applicant to provide further context. The graph depicts a decline in volume despite the pandemic (e.g. Q4 2019 and Q2 2020) and proves further degradation through the continual loss of market share since Q3 2019.

The acquisition of Boral business showed an improvement in volume towards the end of 2021 as the Applicant started producing the boards locally in Q4.

10.2. RAW MATERIALS USAGE

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

Raw Material	Approximate Usage per m ² of Gypsum Board	2022 (Jan to Sept) Usage	2022 (Jan to Sept) Usage – 9mm & 12 mm (estimated at 84%)*
Gypsum Paper Linerboard			

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

Raw Material	Local/Imported	Primary Source
Gypsum	Imported, no local alternative	Thailand, Oman
Paper Linerboard	Imported, no local alternative	Korea, South

10.3. SALES

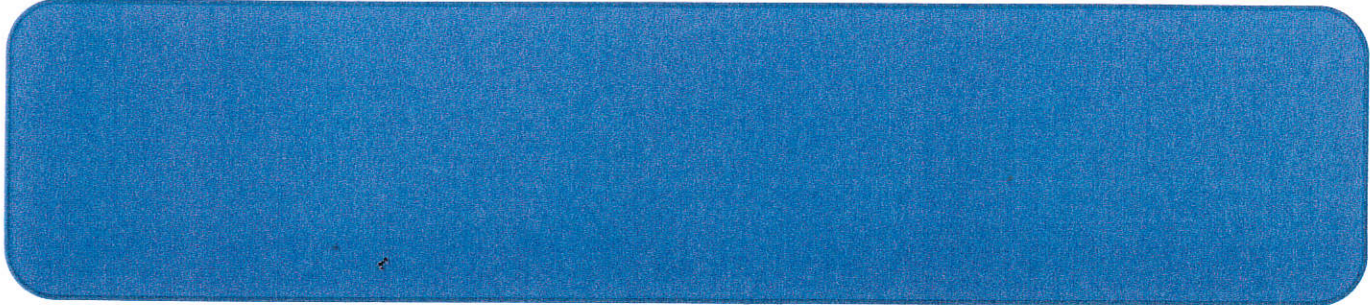
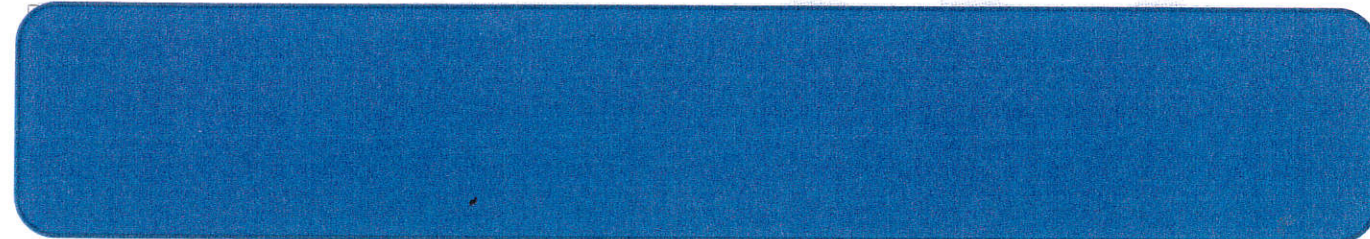


Table below shows the sales in 9mm and 12mm:



sourcing of PB has gradually been localized starting 3Q of 2021.

10.3.1. Explain any lost sales due to direct competition from the allegedly dumped product.

Area	Customer	Type	Monthly Volume (m ²)	Lost to Brand	Comment
South Luzon	Fuda Trading	Indirect (Wholesaler)		Eastberg	Lost 100%
South Luzon	Plytrade	Indirect (Wholesaler)		Eastberg	Lost 100%
South Luzon	Everlasting	Indirect (Wholesaler)		Eastberg	Retained 50% Knauf
South Luzon	Eastern Sun	Indirect (Wholesaler)		Gypline	Lost 100%
North Luzon	Everlasting	Indirect (Wholesaler)		Eastberg	Lost 100%
North Luzon	Northwood	Indirect (Wholesaler)		Eastberg	Retained 20% Knauf
North Luzon	TLA	Indirect (Wholesaler)		Eastberg	Lost 100%
East Luzon	Coskim	Direct (Distributor)		Gypline	Lost 100%
East Luzon	Metal Frames	Indirect (Project Contractor)		Gyproc	Lost 100%
East Luzon	Fleximetal	Indirect (Retailer)		Gyproc	Lost 100%
East Luzon	Unicrom	Indirect (Retailer)		Gyproc	Lost 100%
East Luzon	DZR	Indirect (Retailer)		Gyproc	Lost 100%
East Luzon	Kingshine	Indirect (Retailer)		Eastberg	Lost 100%
East Luzon	24 Legacy	Indirect (Retailer)		Gypline	Lost 100%
Metro Manilla	Famous Lumber	Indirect (Retailer)		Eastberg	Lost 100%

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

Nil to provide.


10.3.3. 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.

The Applicant is not exporting the products.

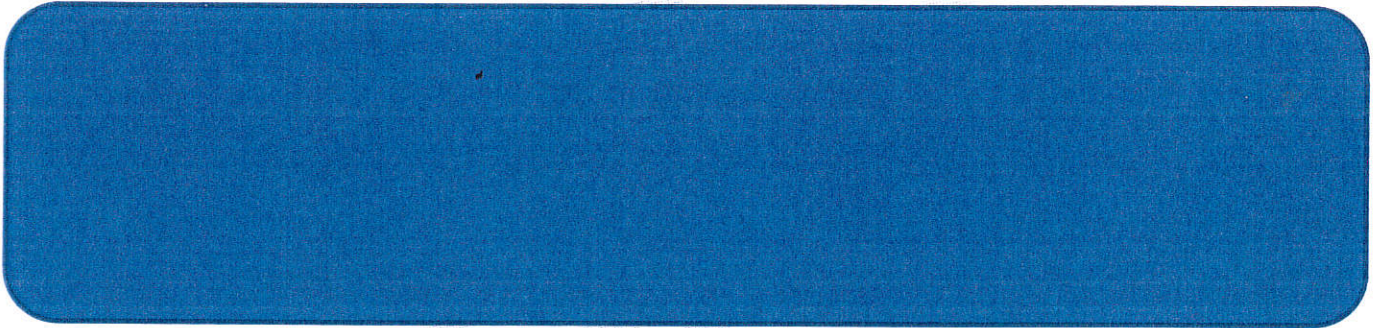
10.4. MARKET SHARE

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

The Applicant calculates the size of the Philippines plasterboard market as follows:

- (a) Takes the net kilograms of imports of HS code 68091100000 and 68091900000 from the Philippines Customs data.
- (b) 
- (c) Imports excluding Boral Philippines: $((a) - (b)) / 7.1^4$
- (d) Obtains actual sales volumes in m² from Boral Philippines (related to (b))
- (e) Total market size = (c) + (d) + own sales

The below table shows the resulting market size estimates based on the above calculations.



⁴ 7.1 represents the estimated kilograms per m² for the purposes of estimating a market size.

10.4.2. Compare the market share of domestic industry with the share held by imports of the allegedly dumped product and imports from other sources.

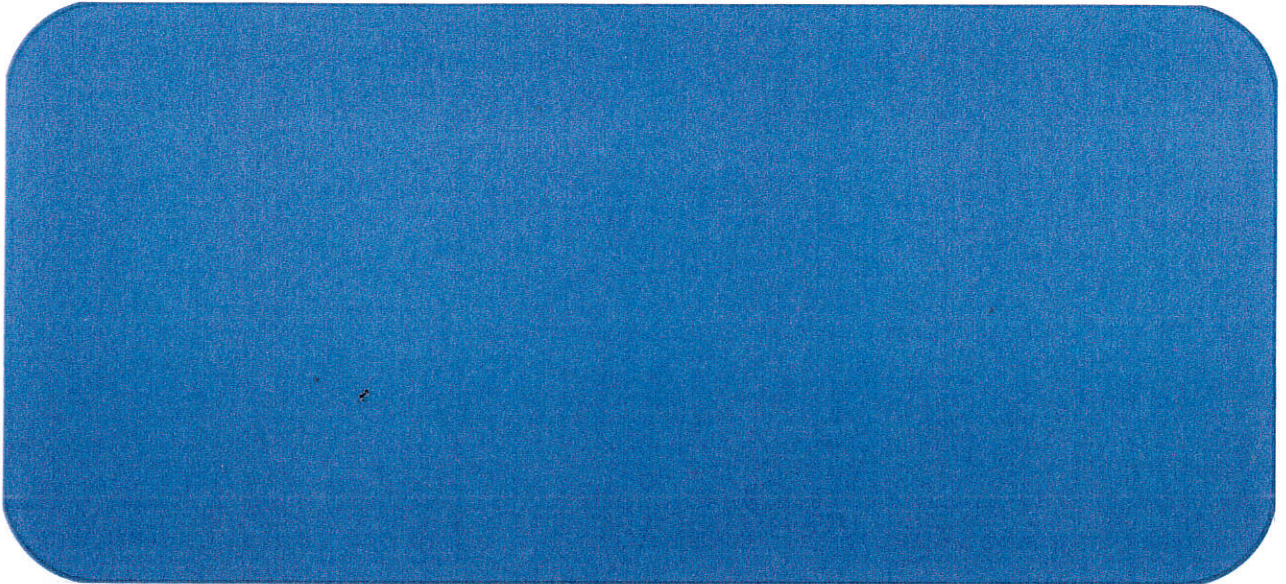


Figure 3 Market Share by Domestic & Import Sources

Note: in the above graph the Applicant was importing some volume in the first 9 months of 2018 whilst commissioning its plant. For consistency, this is shown as local production volume by the Applicant.

The above graph shows that the Thai imports lost market share during 2019 as local production began to take market share at the expense of price (see earlier sections), however has been aggressively recovering this since April 2020.

Below table is the figures supporting above graph, for reference:



10.5. PROFITS

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

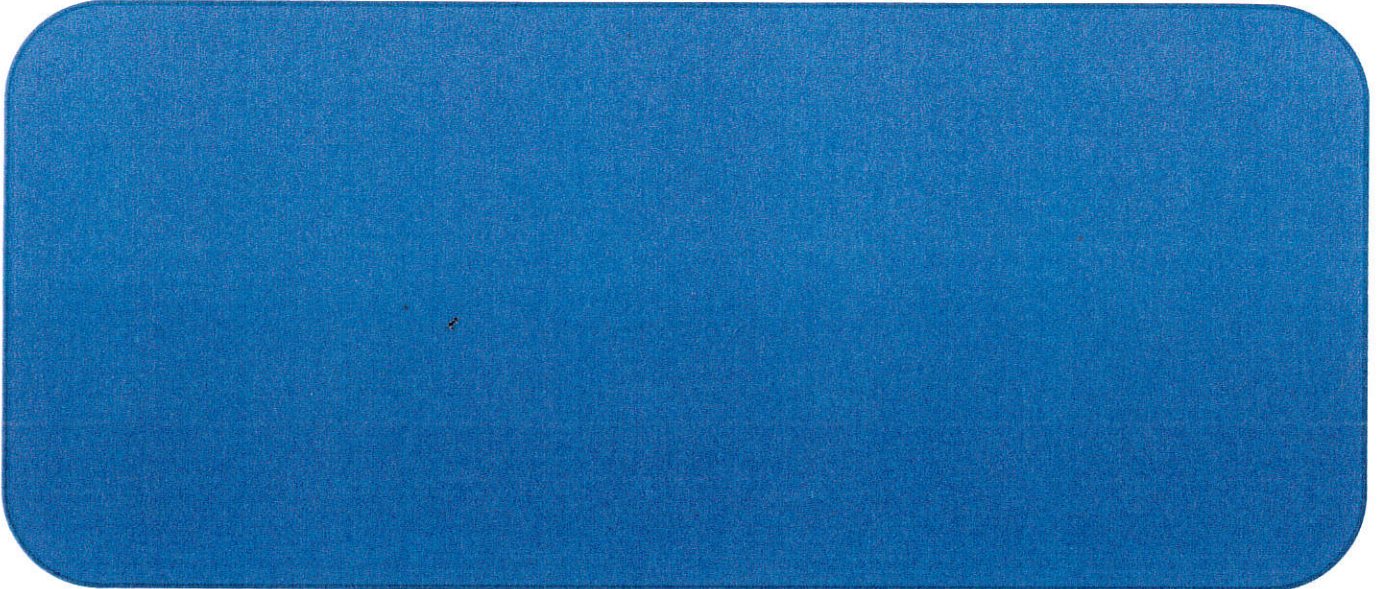


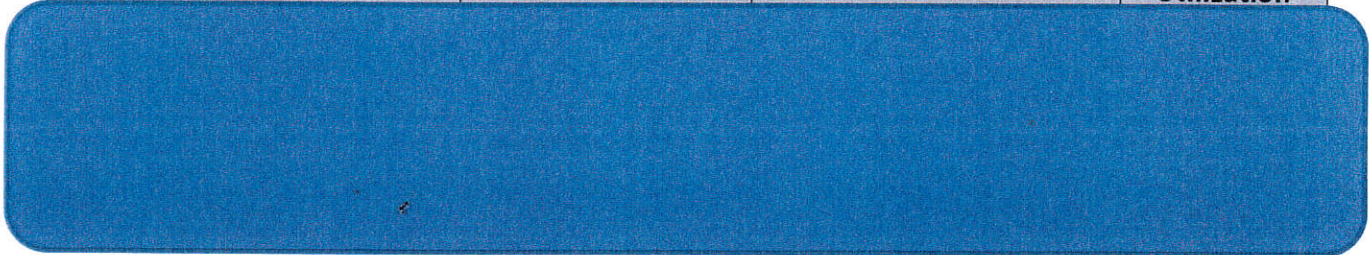
Figure 4 Profitability of the Applicant

The above graph shows that the profitability of the applicant at all levels is substantially down on historical levels. Gross margin, remains 2-3% points below 2019 levels due to the inability for the Applicant to recover escalating cost increases due to downwards price pressure from the parties importing the allegedly dumped product. Net margins with and without the depreciation and amortization are still below 0% even in March 2021 which showed the strongest sales in over 12 months.

10.6. PRODUCTIVITY

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

<u>Period</u>	<u>Rated Capacity (kg)</u>	<u>Production Volume (Kg)</u>	<u>Capacity Utilization</u>
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10.7. RETURN ON INVESTMENTS

10.7.1. Show return on shareholders' funds or return on assets, or a similar appropriate

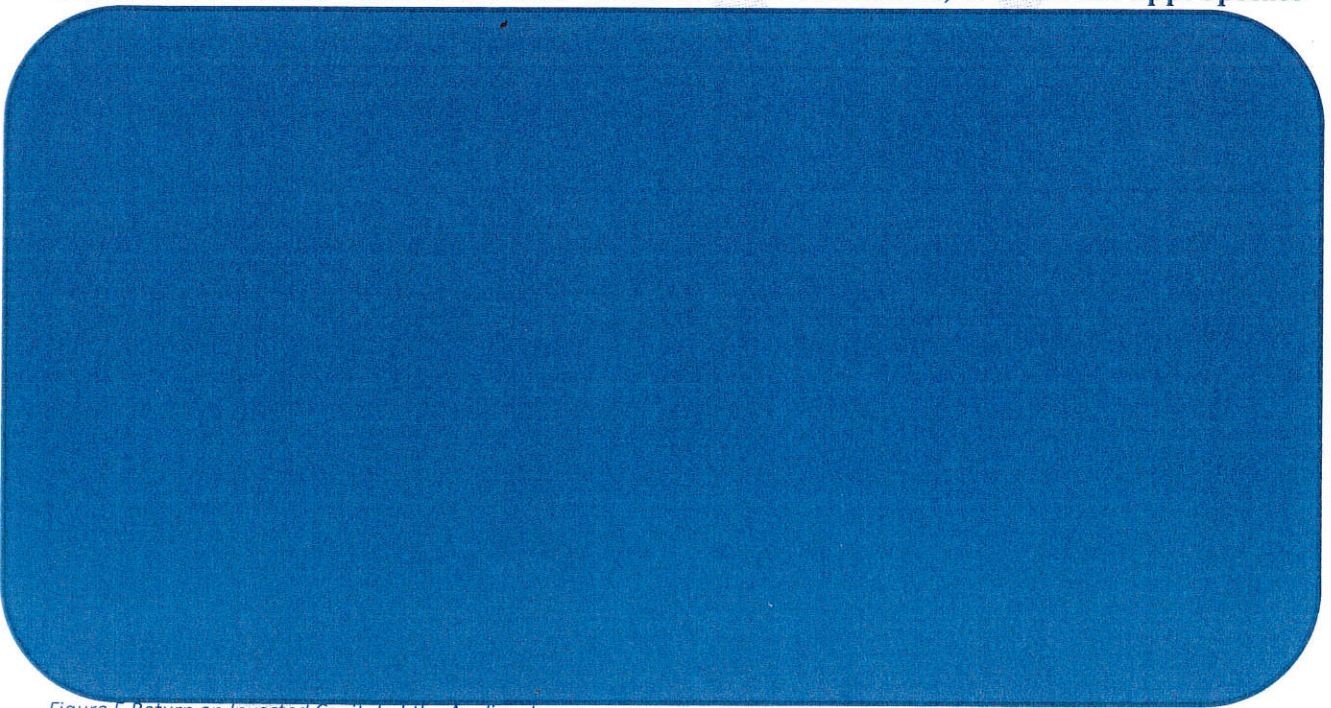


Figure 5 Return on Invested Capital of the Applicant

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

Given over 99.5% of the Applicant's sales are generated from the like product it is assumed all profit, funds and assets belong to the like product.

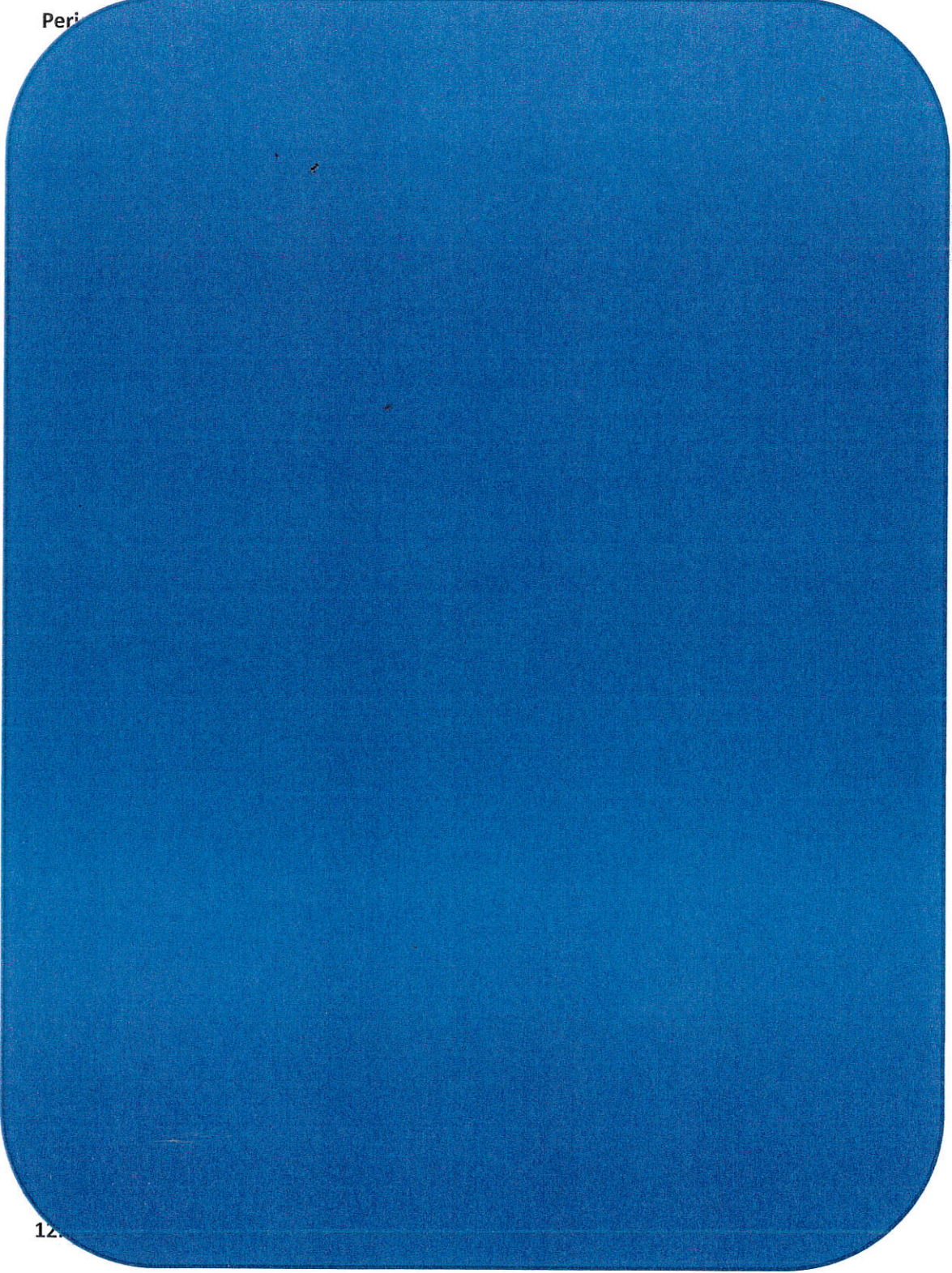
10.8. USE OF PRODUCTION CAPACITY

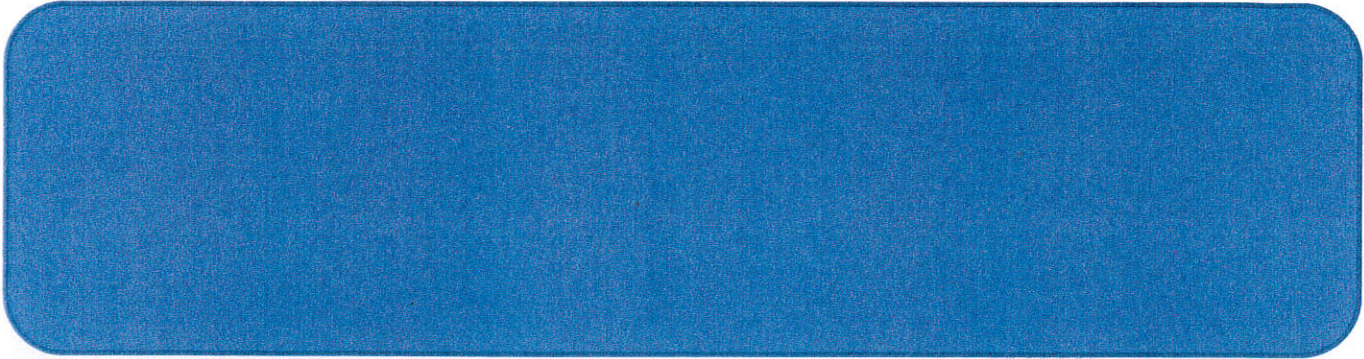
10.8.1. State the industry's production capacity for the most recent three (3) years available, if possible, on a monthly or quarterly basis, for the like product.

The plant would normally run a three-shift structure resulting in the equivalent of a 24/5 operation. Additional shifts can be added if additional capacity is required, with the maximum annual capacity being approximately

[REDACTED]. As such the capacity is provided assuming both 24/7 and a 24/5 operations.

Peri

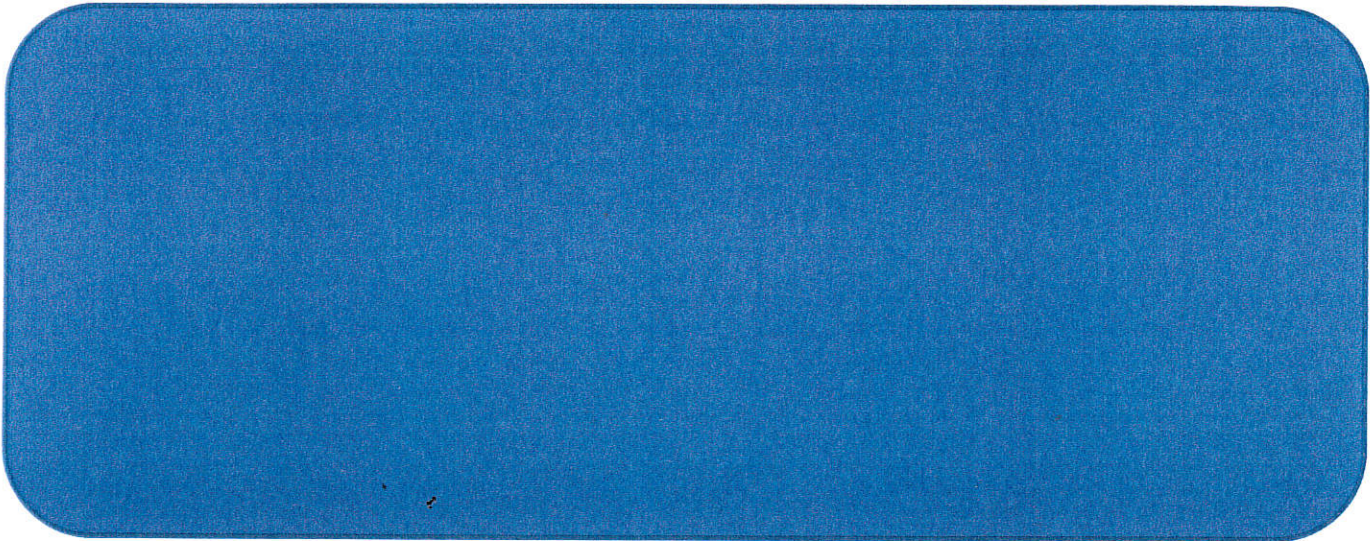




10.8.2. What has been the industry's capacity utilization rate for the periods specified above?

Peri



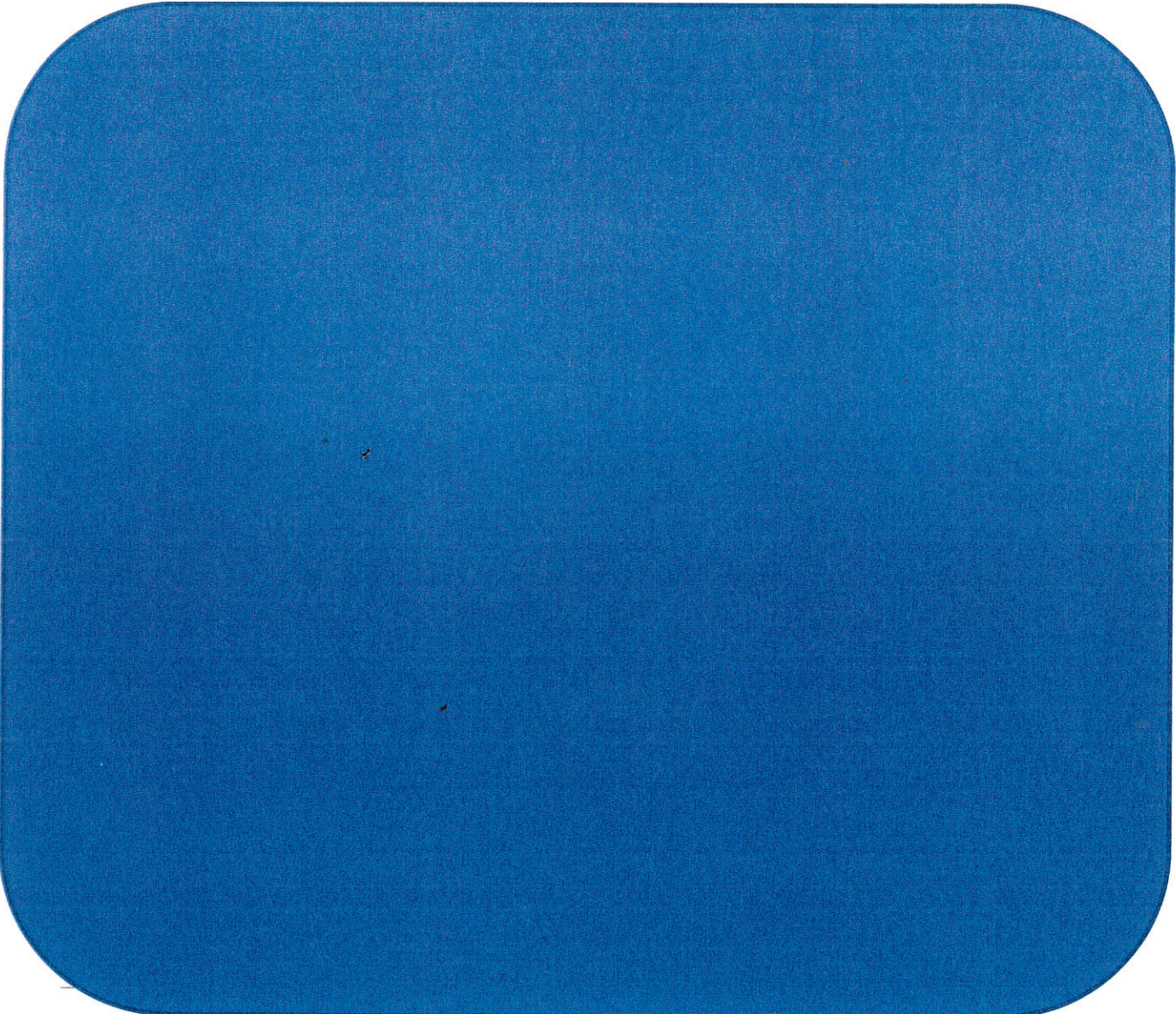


11. OTHER ADVERSE EFFECTS

11.1. 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 flows, inventories, employment, wages, growth, ability to raise capital, investments).

Cash flows

Below table shows the cash flows of the Applicant since 2018. As seen in 2021, the Applicant had to secure additional bank loans in order to fund continued operations.



Employment

A decrease in the number of direct employees noted in 2020 up until April of 2021. In the same year, the Applicant acquired the Boral business whereby it regularized 27 existing contractual plant employees and absorbed Boral’s direct and indirect employees to complement the bigger organization with a stable manpower.

Period	Direct Employees	Indirect Employees*	TOTAL

11.2. Comment on the impact made by the alleged margin of dumping, and any other factors affecting domestic prices

As has been described throughout the application, the alleged dumping of products, has caused prices to deteriorate and remain suppressed for continued periods. This has resulted in the continued loss of market share for local production, degrading margins and negative profitability. Without relief, local manufacture will become unviable due to the poor margins, lack of return on investment and inability to grow volumes.

12. OTHER CAUSES OF INJURY

Please comment on factors other than the allegedly dumped product that have injured, or are injuring the industry.

Without a strong local manufacturer, the Thai manufacturers will have the ability to dictate future prices for the gypsum board in the Philippines.

The pricing level in the Philippine market is beginning to make it unviable for a local manufacturer to survive based on volumes achievable against Thai exports at current pricing levels.

13. 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.

As has been noted throughout the applicant the Applicant, Knauf Gypsum Philippines, Inc., throughout 2018 imported gypsum boards while commissioning its plant. During 2018 this equated to imports of [REDACTED] kilograms (value of [REDACTED]). Predominantly from Indonesia (55%), Thailand (30%) and Vietnam (14%). All imports were from related companies.

Since 2019 the Applicant has made two imports of gypsum boards as described below.

Date	Supplier	Origin	Product	Volume	Value PHP	Reason
04.28.19	Knauf Gips KG	DE	Cleaneo UFF 12.5	72,443 kg	[REDACTED]	Specialty product
05.31.19	Knauf Gips KG	DE	Cleaneo UFF 12.5	18,485 kg	[REDACTED]	Specialty product

RA 8752 – ANTI-DUMPING ACT OF 1999

Application to Initiate a Dumping Investigation

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

***Plaster Boards, Sheets, Tiles and Similar Articles, not Ornamented, Faced or Reinforced with Paper or Paperboard Only
(Gypsum Board / Plasterboard)***

from (country of origin):

Thailand

In support of this application, I attached evidence of:

- (i) Dumping
- (ii) Injury to the Industry; and
- (iii) A causal link between the alleged dumping and alleged injury.

and such information as is reasonably available to me in relation to the matters referred to in RA 8752, the Philippine Anti-Dumping Act of 1999.

This application is made by [Knauf Gypsum Philippines, Inc.] [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

Mark Dewey N. Sergio

Position

Managing Director

Date

November 25, 2022



REPUBLIC OF THE PHILIPPINES
SECURITIES AND EXCHANGE COMMISSION
Ground Floor, Secretariat Building, PICC
City of Pasay, Metro Manila

COMPANY REG. NO. CS201601014

CERTIFICATE OF FILING
OF
AMENDED ARTICLES OF INCORPORATION

KNOW ALL PERSONS BY THESE PRESENTS:

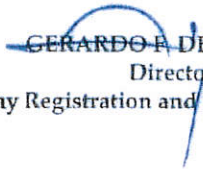
THIS IS TO CERTIFY that the amended articles of incorporation of the

KNAUF GYPSUM PHILIPPINES, INC.
(Amending Article VII thereof)

copy annexed, adopted on June 21, 2022 by a majority vote of the Board of Directors and by the vote of the stockholders owning or representing at least two-thirds of the outstanding capital stock, and certified under oath by the Secretary and a majority of the Board of Directors of the corporation was approved by the Commission on this date pursuant to the provision of Section 15 of the Revised Corporation Code of the Philippines, Republic Act No. 11232, which took effect on February 23, 2019 and copies thereof are filed with the Commission.

Unless this corporation obtains or already has obtained the appropriate Secondary License from this Commission, this Certificate does not authorize it to undertake business activities requiring a Secondary License from this Commission such as, but not limited to acting as: broker or dealer in securities, government securities eligible dealer (GSED), investment adviser of an investment company, close-end or open-end investment company, investment house, transfer agent, commodity/financial futures exchange/broker/merchant, financing company, pre-need plan issuer, general agent in pre-need plans and time shares/club shares/membership certificates issuers or selling agents thereof. Neither does this Certificate constitute as permit to undertake activities for which other government agencies require a license or permit.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of this Commission to be affixed to this Certificate at Pasay City, Metro Manila, Philippines, this 11th day of November, Twenty Twenty Two.


GERARDO F. DEL ROSARIO
Director
Company Registration and Monitoring Department

RAV/100