

Department Administrative Order No. _____
Series of 2021

**IN THE MATTER OF THE APPLICATION FOR
GENERAL SAFEGUARD MEASURES ON THE
IMPORTATION OF MOTOR VEHICLES
(PASSENGER CARS AND LIGHT
COMMERCIAL VEHICLES) FROM VARIOUS
COUNTRIES**

(AHTN 2017 Headings 87.03 and 87.04)

X -----X

ORDER

On 22 July 2021, the Department of Trade and Industry (DTI) received the Tariff Commission's (TC) Formal Investigation Report on the general safeguard measure on the importation of motor vehicles (passenger cars and light commercial vehicles) classified under AHTN 2017 Headings 87.03 and 87.04. The period covered by the investigation (POI) are the years 2014 to 2020.

The TC, in accordance with the Safeguard Measures Act (RA 8800), and its Implementing Rules and Regulations (JAO No. 03, Series of 2000), found:

1. The petitioner is a juridical person belonging to the motor vehicle industry pursuant to Section 6 and Rule 6.4(d) of RA No. 8800.
2. There are six identified domestic producers/assemblers of passenger cars and light commercial vehicles during the POI (2014-2020) and their collective output meets the domestic industry requirement under Section 4(f) of RA No. 8800.
3. The imported products under consideration consist of new CBU passenger cars and new CBU light commercial vehicles. Excluded from the investigation are CKD units, SKD units, special purpose vehicles, and "luxury" vehicles. The products under consideration are classified under 56 AHTN 2017 Codes, with 54 tariff lines referring to imported CBU passenger cars and two tariff lines referring to imported CBU light commercial vehicles.
4. Locally produced passenger cars are considered "directly competitive" with imported CBU passenger cars classified under the 33 AHTN 2017 subheadings listed in Table 5.13 since they are substitutable to the latter in the marketplace by offering alternative products for satisfying customer needs and preferences.
5. Locally produced light commercial vehicles classified under AHTN 2017 subheading 8704.21.29 are considered "directly competitive" with imported light commercial

OFFICE OF THE SECRETARY

vehicles (classified under the same subheading) since they are substitutable to the latter in the marketplace by providing consumers with an alternative for satisfying their needs and tastes for the said product.

6. There was no increase in imports of CBU passenger cars and CBU light commercial vehicles, both in absolute terms and relative to domestic production, during the period of investigation (POI).
7. Since there was no increase in imports of CBU passenger cars and CBU light commercial vehicles (whether absolute or relative to domestic production) during the POI, the determination of serious injury or threat thereof, causation, and unforeseen developments has been rendered moot and academic.

In view of the aforementioned findings, TC terminated its formal investigation and recommended not to impose definitive general safeguard measures on the products subject of the investigation.

The non-confidential version of TC's final report can be accessed at <https://tinyurl.com/85n7f2zr>.

IN VIEW THEREOF, the petition for general safeguard measures on the importation of motor vehicles (passenger cars and light commercial vehicles) falling under AHTN 2017 Headings 87.03 and 87.04 is hereby dismissed.

Accordingly, and pursuant to Section 13 of RA 8800, all cash bonds that have been imposed and previously collected on shipments of motor vehicles (passenger cars and light commercial vehicles) which entered or were withdrawn from warehouses in the Philippines for consumption from 01 February 2021, the date of the effectivity of CMO No. 6-2021, shall be immediately returned to the concerned importer/s.



A copy of this Order can be accessed at the DTI website: bit.ly/qsm-motor-vehicles

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

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

SO ORDERED.

06 August 2021


RAMON M. LOPEZ
Secretary 
PHILIPPINES 