



**Asia-Pacific
Economic Cooperation**

2014/CTI/WKSP7/006

Implementation of Safeguards and Transitional Safeguards for Developing and Developed Economies in APEC Region

Submitted by: Philippines



**Workshop on Provisions of Regional Trade
Agreements and Free Trade Agreements in the
Asia-Pacific Region Concerning Safeguards,
Including Transitional Safeguards
Surabaya, Indonesia
10-11 June 2014**

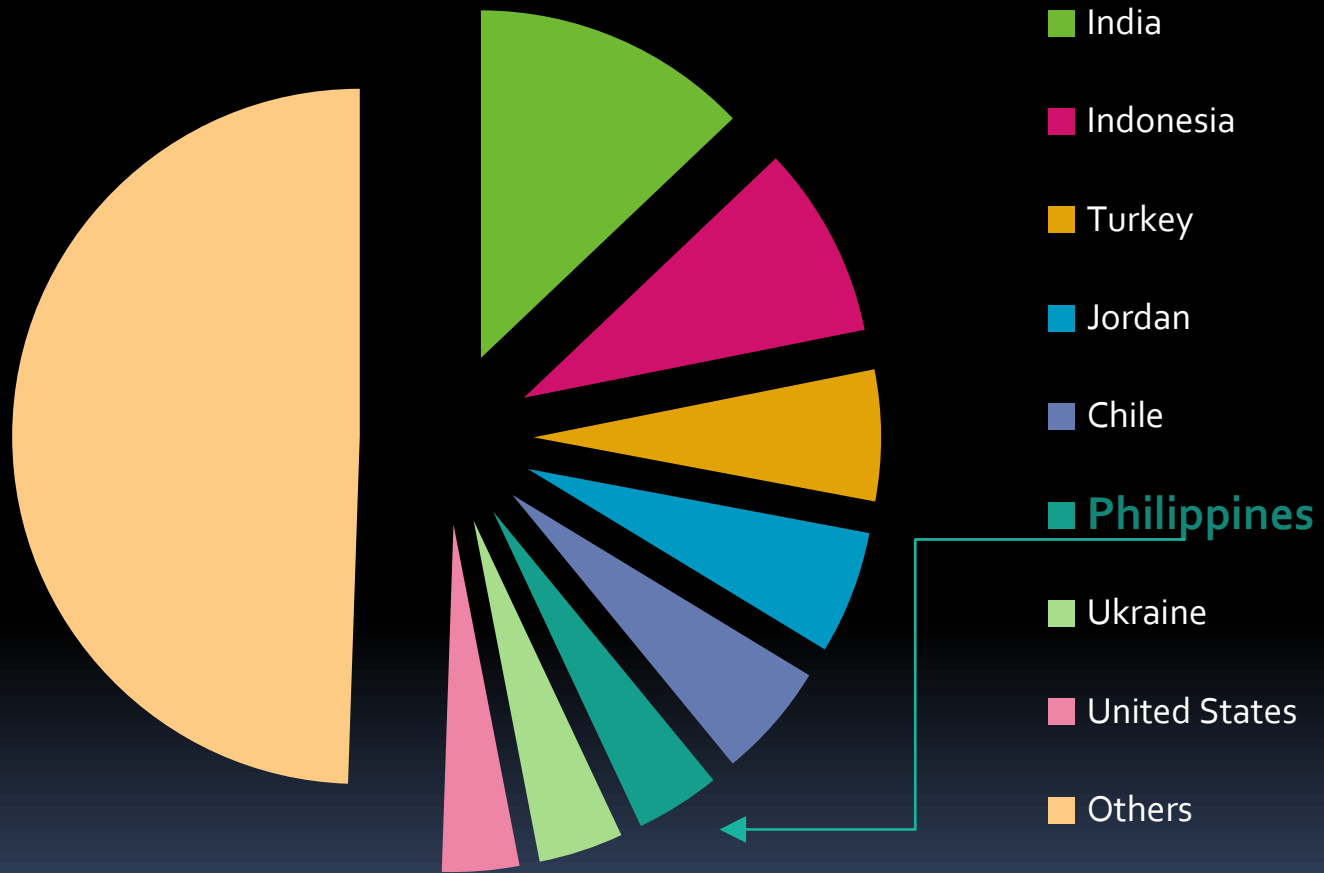


APEC WORKSHOP ON SAFEGUARDS & TRANSITIONAL SAFEGUARDS

SURABAYA, INDONESIA

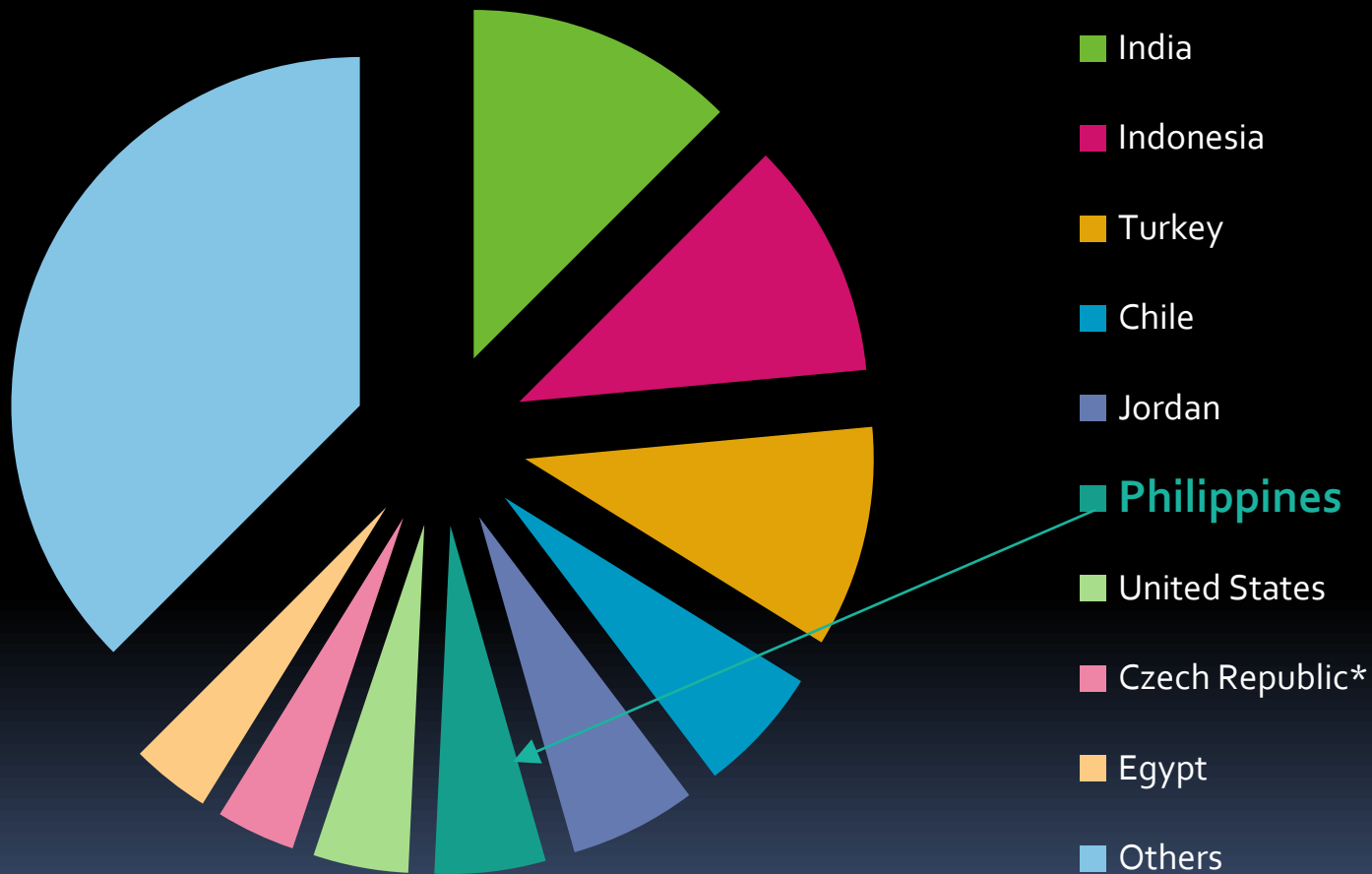
Luis Catibayan
June 10. 2014

Safeguard Measures Initiations 1995 – April 2014



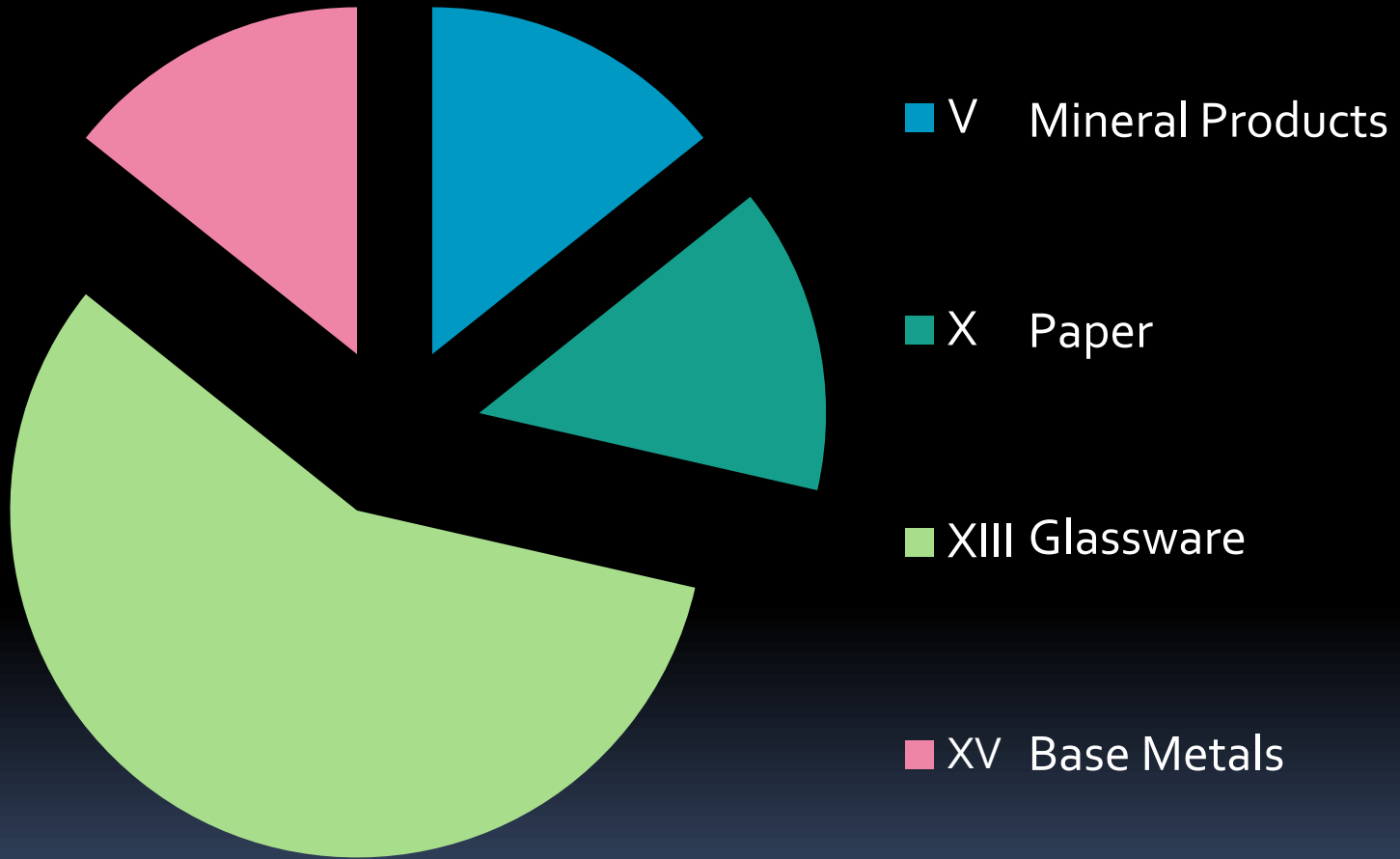
Source: WTO

Safeguard Measures Imposed 1995 - April 2104




Source: WTO

Safeguard Measures by Sector






Global Safeguards – Legal Basis

- GATT Article XIX;
 - WTO Agreement on Safeguards and
 - Republic Act 8800, the Safeguard Measures Act;
 - Special Safeguards not included
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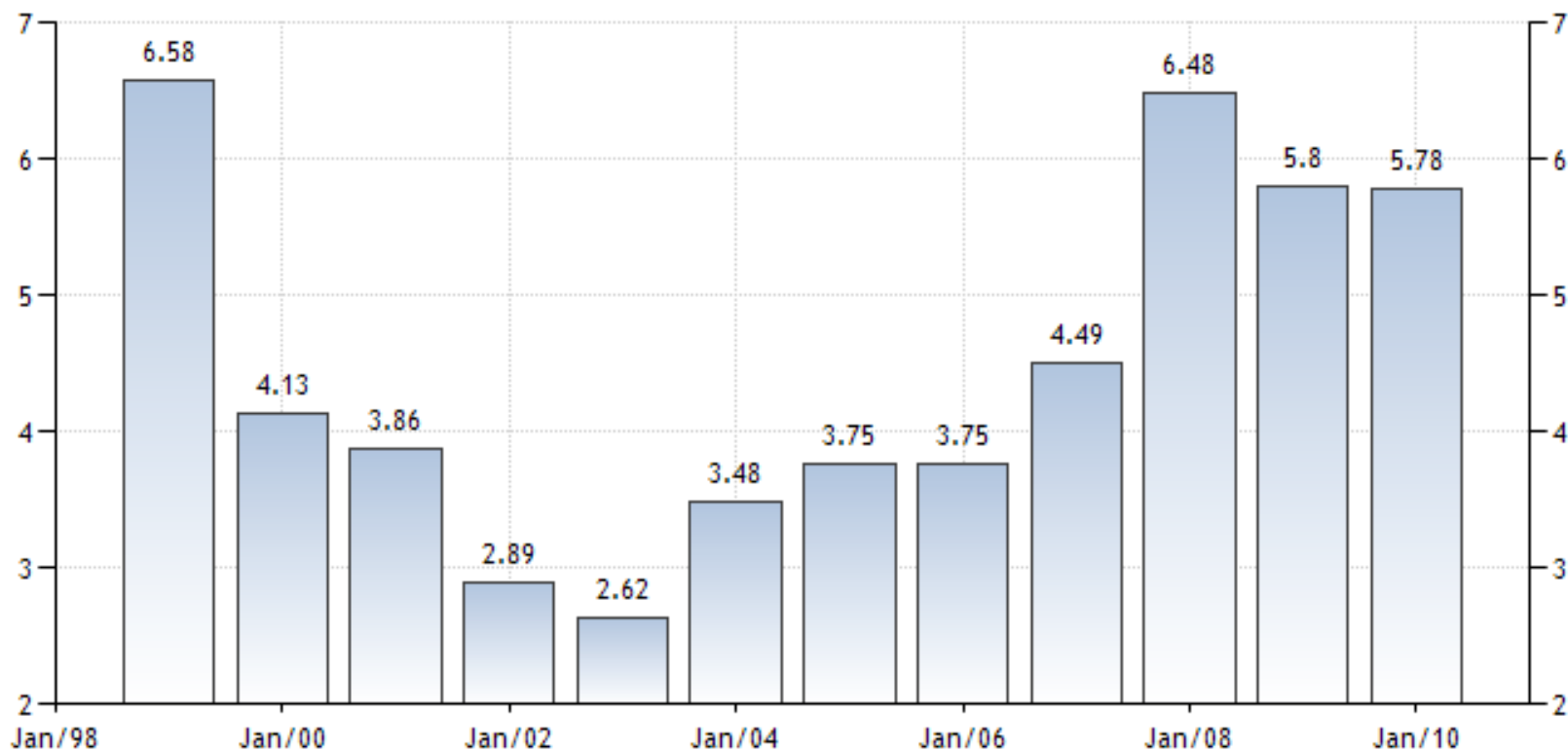


Japan Philippines Economic Partnership Agreement

Experience in Bilateral Safeguards Negotiations

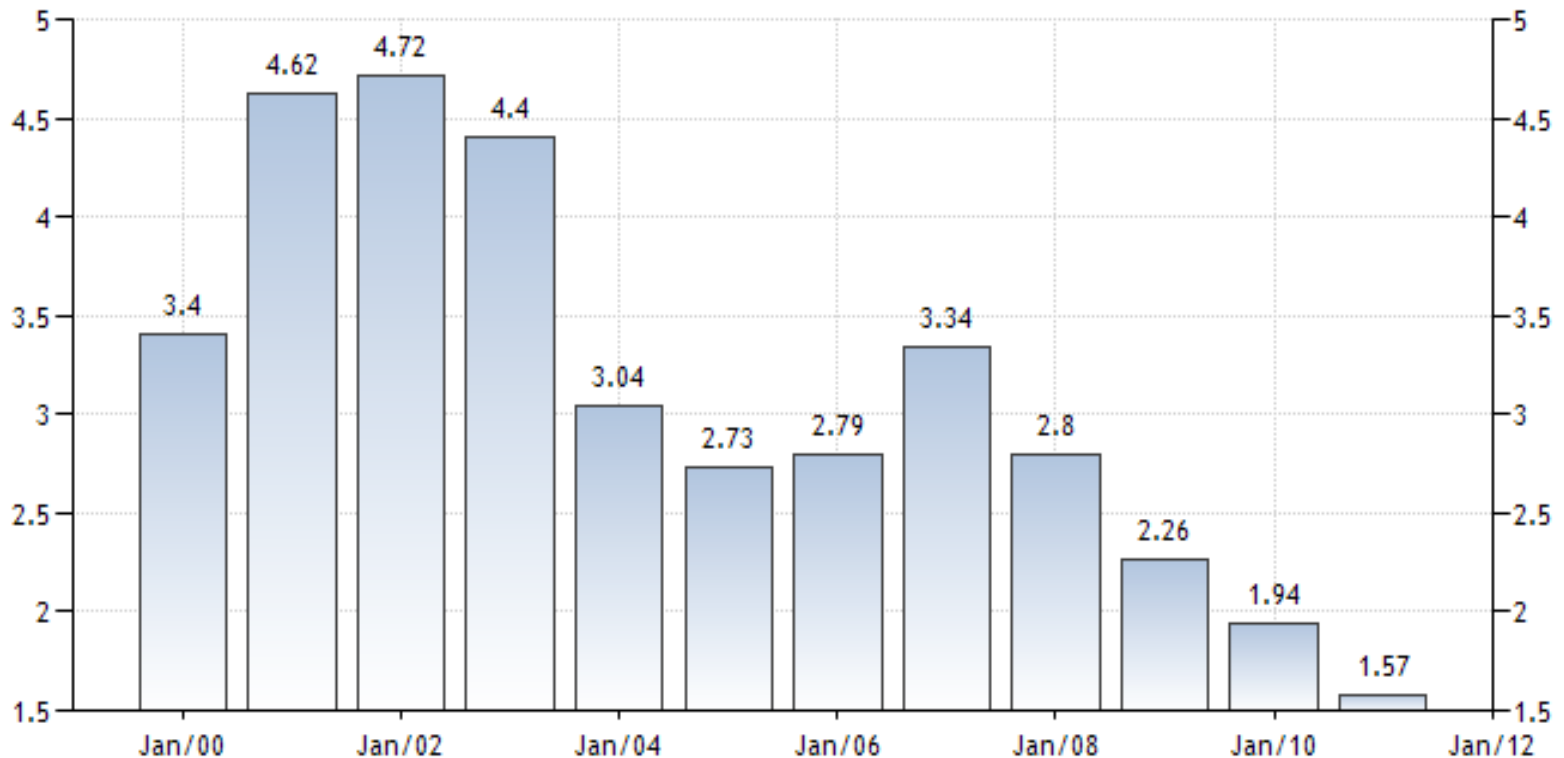
- Treaty took effect on December 11, 2008
 - Safeguard measures can be imposed during transition period of 7 years from treaty effectivity
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Philippines Most Favored Nation Tariff Weighted mean - all products (%)



Source: World Bank

Japan Most Favored Nation Tariff Weighted mean - all products (%)



Source: World Bank

PHILIPPINES – TARIFFS (%)

	1990	2000	2010
<u>Binding coverage; manufactured products</u>		64.2	64.5
<u>Bound rate; simple mean; manufactured products</u>		23.6	23.8
<u>Tariff rate; applied; simple mean; manufactured products</u>	19.3	7.0	5.1
<u>Tariff rate; most favored nation; simple mean; manufactured products</u>	19.6	7.4	5.9
<u>Tariff rate; applied; weighted mean; manufactured products</u>	15.0	3.5	4.7
<u>Tariff rate; most favored nation; weighted mean; manufactured products</u>	15.0	3.5	5.8
<u>Binding coverage; all products</u>		66.8	67.2
<u>Bound rate; simple mean; all products</u>		25.6	25.8

Source: World Bank

JAPAN – TARIFFS (%)

	1990	2000	2010
<u>Binding coverage; manufactured products</u>		100.0	100.0
<u>Bound rate; simple mean; manufactured products</u>		2.7	2.4
<u>Tariff rate; applied; simple mean; manufactured products</u>	2.9	2.1	2.1
<u>Tariff rate; most favored nation; simple mean; manufactured products</u>	3.9	3.0	2.5
<u>Tariff rate; applied; weighted mean; manufactured products</u>	2.2	1.2	1.7
<u>Tariff rate; most favored nation; weighted mean; manufactured products</u>	3.2	2.2	2.2
<u>Binding coverage; all products</u>		99.7	99.7
<u>Bound rate; simple mean; all products</u>		5.8	3.0


Features of JPEPA Safeguard Measures

- Article 22 Emergency Measures
- (a) suspend the tariff reduction on the good; or
- (b) increase the tariff rate on the originating good to a level not to exceed the lesser of:
 - (i) the MFN applied rate of in effect on the day when the measure is taken and
 - (ii) the MFN rate in effect on the day immediately preceding the date of entry into force of the Agreement.

Procedural Requirement


emergency measure imposed only after an investigation carried out by the authorities in accordance with:

- relevant domestic laws and regulations that are consistent with the
- WTO Agreement on Safeguards
- Article XIX GATT 1994

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- Investigation shall in all cases be completed within 1 year following its date of initiation;
 - In critical circumstances, a Party may take a provisional emergency measure pursuant to a preliminary determination that increased imports have caused or are threatening to cause serious injury to a domestic industry;
 - Duration of the provisional emergency measure shall not exceed 200 days.



Notices & Consultations

- A Party shall deliver a written notice to the other Party upon:
 - (i) initiating an investigation and
 - (ii) taking a decision to apply or extend an emergency measure.
 - A Party proposing to apply or extend an emergency measure shall provide adequate opportunity for prior consultations with the other Party
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Period of the measure

- No emergency measure shall be maintained except to the extent and for such period as may be necessary to prevent or remedy serious injury and to facilitate adjustment, provided that such period shall not exceed 3 years;
- in very exceptional circumstances, an emergency measure may be maintained for up to a total maximum period of 4 years




Cooling Off Period

No emergency measure shall be applied again to the import of a particular originating good which has been subject to such an emergency measure, for a period of time equal to the duration of the previous emergency measure or 1 year, whichever is longer



Compensation


A Party proposing to apply or extend an emergency measure shall provide mutually agreed adequate means of trade compensation in the form of concessions of customs duties whose levels are substantially equivalent to the value of the additional customs duties expected to result from the emergency measure

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- The right of suspension shall not be exercised for the first 12 months that an emergency measure is in effect, provided that the measure has been taken as a result of an absolute increase in imports;
 - Each Party may take safeguard measures to the originating goods in accordance with:
 - (a) Article XIX of the GATT 1994 and the Agreement on Safeguards



Conclusions/learnings

- Is the other party a user of safeguards?
 - Is it to our advantage to be more restrictive or liberal in applying safeguard regulations?
- What is our level of imports of manufactured goods from that party?
- Are there prospective investors for manufactured goods that are not yet locally produced?

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- Which ones are locally manufactured?
 - In sufficient quantities?
 - Prospect of the domestic industry in terms of competitiveness or future competitiveness?
 - Impact of the measure on downstream industries, consumers and the economy as a whole?



Thank you!
Questions?