
Philippine steel industry seeks zero duty import under JPEPA

Tuesday, 30 Jun, 2009

It is reported that Philippines steel industry, long been penalized by higher steel tariffs, has urged government to implement the zero duty privilege on their raw material importation from Japan as agreed under the Japan Philippines Economic Partnership Agreement.

The Filipino Galvanizers Institute Inc has made this clear in a letter to the Bureau of Import Services of the Department of Trade & Industry after Global Steel Philippines Inc has blocked an importation by a local steel company.

The FGI letter to BIS director Mr Luis M Catibayan said that "The downstream industry has been unduly prejudiced by the undeserved tariff protection granted to GSPI under Executive Order 375. We believe the government must not continue to abet a monopoly operated by a foreign owned company at the expense of the domestic manufacturers."

Mr Salvio Perez president of FGI explained that with the effectivity of the JPEPA, the DTI has issued last April 17th 2009 the implementing rules and regulation on the tariff rate quota availment for Philippine imports of tinplate, hot rolled coils and cold rolled coils from Japan under Department Administrative Order (DAO) No. 0903:2009. The TRQ refers to the volume of steel imports that are allowed zero duty.

Mr Perez stressed that item 3 of Section 4 of the DAO 0903:2009, it states that, "In the event that the local industry is unable to produce the said items or is unable to meet the quantity, quality, price and delivery requirements of the user, DTI-BIS reserve the right to allow importation."

Item 4 further states that "Importation of products that are locally produced may nevertheless be allowed if the local product in question does not meet the required quantity; the required quality; reasonable price and timely delivery."

GSPI, which is operating the old National Steel Corporation plant in Iligan, is enjoying a 7% tariff shield on imported steel products that the government granted as soon as it declared the company was in commercial operation. It has already opposed the CRC importation by local galvanizer A Chan of Cebu City saying they are producing the product being imported by the said galvanizer.

The FGI letter even quoted DTI Secretary Mr Peter B Favila's revelation that GSPI had admitted to him that it has been operating on order basis only since early this year. It added that "Due to GSPI's poor financial condition, their practice is to generate sales order, require customers to open letters of credit and assign customers."

(Sourced from www.mb.com.ph)

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