

**[ EIAB MEMORANDUM CIRCULAR NO. 94-03-02,  
March 16, 1994 ]**

**GUIDELINES FOR THE IMPORTATION OF LOW AROMATIC  
SOLVENTS**

WHEREAS, Executive Order No. 413 (modifying the Rates of Import Duty and nomenclature of certain imported articles under Section 104 of the Tariff and Customs Code of 1978) and Executive Order No. 470 provide that the rate of import duty for low aromatic solvents be 10% ad val. (Tariff Heading No. 2710.0034);

WHEREAS, Executive Order No. 478, as amended by EO 115 and EO 160 prescribed special duty on imported crude oil and imported oil products of P0.95/liter and P1.00/ liter, respectively, but exempted low aromatic solvents from such duty rate when imported with a special authorization by the Energy Regulatory Board, now the Energy Industry Administration Bureau;

WHEREAS, the creation of a separate subheading for low aromatic solvents by the Tariff Commission was based on representations by the "Samahan sa Pilipinas ng mga Industriyang Kimika";

WHEREAS, the Energy Industry Administration Bureau notes the concern of the local solvent manufacturers regarding the importation of low aromatic solvents on a special duty-exempt basis while there exists locally produced equivalent product;

WHEREAS, such duty exemption gives undue cost advantage to importers over domestic manufacturers who invested in plant and equipment to produce the same solvent locally, and defeats the purpose of the government's policy to attract investments and encourage local producers to maintain/expand their existing plants thereby ensuring uninterrupted domestic supply thereof necessary to spur economic growth;

WHEREAS, it is necessary that guidelines be issued for the appropriate implementation of aforesaid Executive Order No. 160 with respect to low aromatic solvents and the granting of special duty-exempt authorization by this Bureau;

NOW, THEREFORE, effective immediately importations of solvents shall be subject to the following conditions:

1. VOLUME - no restriction, in line with the government's thrust toward import liberalization
2. COST - (FOB and Freight) - economics are left to the importer since selling price is no longer regulated
3. DUTY RATE