[DA DEPARTMENT ORDER NO. 3, OCTOBER 16, 2002, October 16, 2002]

IMPOSITION OF SPECIAL SAFEGUARD DUTY ON IMPORTED ONIONS WITH HS CODE 0703.1000

Commissioner ANTONIO M. BERNARDO
Bureau of Customs

Thru: Secretary JOSE ISIDRO N. CAMACHO
Department of Finance

Subject: Imposition of Special Safeguard Duty on Imported Onions with HS Code 0703.1000

Dear Commissioner Bernardo:

Pursuant to Republic Act 8800, referred to as the Safeguard Measures Act (chapter III, sections 21 and 23), we are requesting for the imposition of special safeguard (SSG) duty on onion imports with HS Code 0703.1000 over and above the regular customs duty of 50%. The amount of SSG duty to be collected shall be on a shipment by shipment basis. The computation of SSG duty is illustrated in Annex A.

This request is being made because the trigger price of the said agricultural product which is P74.21 per kg. (published August 7, 2002) has been breached or that, the average c.i.f. import price of onion from January to July 2002 which is P6.55 per kg. has gone below the trigger price. Likewise, it can be noted that volume of onion imports in 2001 is higher than the previous two years and monthly imports since March 2002 has been increasing (See Annex B).

May we further request that the imposition of the SSG duty be made effective immediately.

We look forward to your favorable and immediate action on this.

Thank you.

Very truly yours,

(SGD.) LEONARDO Q. MONTEMAYOR
Secretary"

Determination of the Special Safeguard Duty Based on Price Test
(Per Section 24(b) of Chapter III of RA 8800)

This illustrates the method of computing the SSG duty to be applied when the c.i.f. import price falls below the trigger price. The SSG duty to be imposed shall be computed based on the price difference, or the amount obtained after subtracting the c.i.f. import price, as follows:

Price Difference (PD), in % of trigger price (TP)	SSG duty
PD < or = 10%	0.00
10 < PD < = 40%	[30% x {PD-(10% x TP)}]
40 < PD < = 60%	[50% x {PD-(40% x TP)}] + [30% x {PD-(10% x TP)}]
60 < PD < = 75%	[70% x {PD-(60% x TP)}] + [50% x {PD-(40% x TP)}] + [30% x {PD-(10% x TP)}]
PD > 75%	[90% x {PD-(75% x TP)}] + [70% x {PD-(60% x TP)}] [50% x {PD-(40% x TP)}] + [30% x {PD-(10% x TP)}]

1. Compute the difference between CIF Price (P) and the Trigger Price (TP)

e.g. if current CIF price (P) is equal to P6.55, then

TP - P = P74.21 per kg. - P6.55 per kg = P67.65

2. Compute the price difference ratio with respect to the trigger price [(TP - P)/TP]

e.g. [(74.21-6.55)/74.21] = 91.17%

3. Since the price difference is 91.17% (greater than 75%), the SSG duty shall be computed as follows:

e.g. SSG Duty = 90% of [(TP-P) - (75% of TP] +

= 70% of [(TP-P) - (60% of TP] +