



Subsidies: Rationales and Trade and Investment Distortions

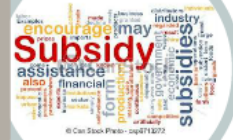
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RA 8751
COUNTERVAILING DUTY
ACT OF 1999

AUGUST 7, 1999
AUGUST 31, 1999

- It amended section 302 of the TCCP.



Section 302. Counteracting Subsidies.

(a) The Commission may, in its discretion, impose a countervailing duty on any imported article if the Commission determines that such article is being imported into the Philippines in such quantities as to threaten or cause material injury to an industry in the Philippines, or to a particular sector of the Philippine economy, and if such article is being imported into the Philippines in such quantities as to threaten or cause material injury to an industry in the Philippines, or to a particular sector of the Philippine economy, and if such article is being imported into the Philippines in such quantities as to threaten or cause material injury to an industry in the Philippines, or to a particular sector of the Philippine economy.



What articles may be covered by a countervailing action?

A. ADMINISTRATIVE REVIEW.

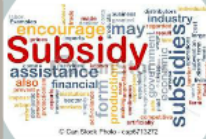
1. **SUNSET REVIEW** - may be initiated by any interested party upon your own motion of the commission before the sunset date.

2. **INTERIM REVIEW** - conducted by the commission, in appropriate, or upon the direction of the secretary or upon petition of any interested party to determine whether:

- a. The imposition of the countervailing duty is no longer necessary to offset subsidization, taking into consideration: the need to protect the existing domestic industry against dumping, or
- b. The existing duty is not sufficient to counteract the subsidization which is causing injury.

At least 1 year should have elapsed since imposition of the countervailing duty before an interim review can be initiated.





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OBJECTIVES:

At the end of our report, students should be able to:

- Define the terms regarding on subsidies and countervailing measures
- Know the scope and coverage,
- The elements of countervailing
- Familiarize its legislation and procedures
- Differentiate anti-dumping from countervailing measures.

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Definitions of terms:

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[Country of export]

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Subsidy

Refers any specific assistance directly or indirectly provided by the government of the country of export or origin in respect of the product imported into the Philippine

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Actionable Subsidies

also known as “yellow” subsidies, are those falling under the definition of subsidy describe above, which are neither non actionable nor prohibited subsidies.

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non actionable subsidies

otherwise known as “green” subsidies are those which are permitted as they are of a general nature.

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Prohibited subsidies

also known as “red” subsidies. i.e.; those that are contingent on export performance, and subsidies that are contingent on the use of domestic over imported goods.

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Country of export

is the country from where the allegedly subsidized products was shipped to the Philippines, regardless of the location of the seller.