



Republic of the Philippines
House of Representatives
Quezon City, Metro Manila
Eighteenth Congress
First Regular Session



HOUSE RESOLUTION NO. 389

Introduced by Representative Ma. Theresa V. Collantes

RESOLUTION

DIRECTING THE COMMITTEE ON TRADE AND INDUSTRY TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE UNABATED INFLUX OF IMPORTED CERAMICS TILES IN THE COUNTRY

WHEREAS, Section 1, Article XII of the Constitution provides that the “*State shall protect Filipino enterprises against unfair foreign competition and trade practices*” while Republic Act No. 8800, otherwise known as the “*Safeguard Measures Act*,” mandates the promotion of the competitiveness of domestic industries and producers, by providing safeguards to protect domestic industries, and producers from increased imports which cause, or threaten to cause, serious injury to domestic industries;

WHEREAS, the Philippine ceramic tile industry is facing an unprecedented challenge from the massive influx of imported ceramic tiles flooding the country, wherein from the original number of seven domestic tile manufacturers, only two manufacturers remain and barely surviving, putting into peril the employment of their workers and the very existence of the Philippine ceramic tile industry;

WHEREAS, the Philippine ceramic tile industry used to be a thriving business which enjoyed a market share of 96%, while imported tiles enjoyed a market share of only 4%, but despite the significant increases in the market size brought about by the boom in the real estate industry, the market share of domestic tile manufacturers declined from 96% to 15% in 2017, while the market share of the imported ceramic tiles for the same period drastically went up to 87%;

WHEREAS, the Department of Trade and Industry and the Department of Finance have already initiated efforts to safeguard the domestic tile industry by imposing safeguard duties on imported ceramic wall tiles through the Bureau of Customs-Customs Memorandum Order-42-2019, however it excluded all porcelain tile products with AHTN Code 6907;

WHEREAS, customs data show that in 2018 alone, porcelain and unglazed tiles with AHTN Code 6907 account for more than 83% of the total ceramic tile imports in the country, causing serious injury to the domestic tile industry;

WHEREAS, the Ceramic Tile Manufacturer's Association (CTMA) is seeking the assistance of Congress to urge the Department of Trade and Industry and the Department of Finance to implement the provisions of Republic Act No. 8820, without qualifications and exceptions, specially with porcelain and unglazed tile products which have the same use and application and directly competes with the local ceramic tile products;

WHEREAS, CTMA believes that by excluding AHTN Codes 6907 covering the porcelain and unglazed tiles, the domestic tile manufacturing industry will suffer serious injuries such as declining market share, worsening return on sales, reduced production and unutilized capacity, and increase in inventory because of decrease in sales, and it is not only the tile industry that is affected but also the government in the form of unpaid duties and taxes

WHEREAS, the CTMA also urgently requests the Bureau of Product Standards of the Department of Trade and Industry to restore and implement the mandatory standard testing on all imported ceramic tiles to ensure the quality of the ceramic tile products flooding the market, and in return, the CTMA readily commits itself to double its production to full capacity to have sufficient supply to meet the demands of the industry: Now, therefore, be it

RESOLVED BY THE HOUSE OF REPRESENTATIVES, To direct the Committee on Trade and Industry to conduct an inquiry, in aid of legislation, on the unabated influx of imported ceramic tiles in the country.

Adopted,

