

GENERAL AGREEMENT ON TARIFFS AND TRADE

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PROVISIONAL ACCESSION OF THE PHILIPPINES

Questions Submitted by Contracting Parties

Contracting parties were invited (L/3852) to communicate to the secretariat any questions which they might wish to put concerning the matters covered by the memorandum on the foreign trade régime of the Philippines (L/3841).

In response to this request a number of questions were received and forwarded to the delegation of the Philippines. These questions, broadly arranged under the headings in the Philippine memorandum, are listed below.

I. General questions

1. Does the Philippines have the intention to accede in the future to the GATT after the tariff negotiations under Article XXXIII?

Document L/3841 says "the decision for final accession to be contingent upon the termination and results of the multilateral trade negotiations". Does it infer the possibility that the Philippines may not accede to the GATT depending on the results of the multilateral trade negotiations?

2. Are there any domestic laws and regulations in the Philippines which may be inconsistent with the provisions of the GATT?

If there are any, specify such laws and regulations.

What actions are envisaged in this regard?

II. Trading arrangement

3. Does the Philippines, under the Laurel-Langley Agreement, now accord preferences on any item to the United States in excess of those applicable at 10 April 1947?

4. What are the prospects of the Laurel-Langley Agreement?

III. Philippine's commercial policy

A. The tariff system

5. In how many cases did the 1972 revision of the tariff schedule result in increase in rates of duty and what is the 1971 value of imported articles affected by these increases? Can the Philippines provide a list of items for which duties were revised upward?

6. What is the rationale for the upward revision of duties in 1972 on a number of agricultural products?

7. How will the "periodic gradual reduction" of protective tariffs, referred to in Philippine Memorandum (L/3841), work?

8. The present tariff classifications numbering 1,250 conform to the BTN while SITC classifications are used in defining essential import categories. Does the Government of the Philippines plan to or has it considered converting its essentiality classifications into BTN terms for facility of comparison with the tariff classifications?

9. With respect to Decree No. 34, specify the number and the coverage of the goods of which the rates of duty were raised.

Name the local industries which are subject to the tariff protection under this Decree.

10. Explain in detail the customs valuation method.

11. Is the method of valuation for customs purposes fully in accord with GATT Article VII? What is the rationale for inflating the valuation of goods for customs purposes by 10 per cent of the home consumption value?

12. Explain in detail the anti-dumping and countervailing provisions.

13. Explain in detail the anti-discriminatory duty.

14. Would the power to accord tariff concessions under bilateral trade agreements (Item 12, page 5 L/3841) be exercised in a manner consistent with GATT most-favoured-nation obligations?

B. Foreign exchange regulatory measures

15. Does the Philippines justify all its foreign exchange regulatory measures as necessary for balance-of-payments and/or developmental purposes? Do controls comply fully with Articles XII-XV, and XVIII?

16. It is our understanding that the opening of letters of credit is prohibited for approximately 900 essentiality categories. Will the Government of the Philippines make a list of these categories available to GATT? How often are these essentiality classifications reviewed? How does the Government of the Philippines justify this long list of prohibited items?

C. Other import regulatory measures

17. Are there any quantitative restrictions applicable to imports to the Philippines?

If there are any, specify in detail, giving descriptions and quotas of goods subject to such quantitative import restrictions.

18. What are the reasons for the import prohibitions applicable to rice, corn, leaf tobacco, coffee, onions, potatoes, and cabbages except under certain conditions?

Explain the régime of such prohibitions in detail, including the conditions for exception.

19. What are "certain conditions" under which prohibited items may be imported? Does the system of import prohibitions operate fully in accord with Articles I, III, X and XIII?

D. Internal revenue taxes

20. How is the amount of statutory mark-up percentage used in calculating the advance sales tax base determined and how much is it?

E. Customs procedure re import clearance

21. Is a consular invoice required for all commercial shipments? What is the cost of consular invoice and where may they be obtained? Does the Government of the Philippines foresee the time when bona fide commercial invoices will be acceptable for all imports?

22. The Philippine Government requires a consular invoice for each consignment of goods imported into the Philippines which exceeds 3,000 pesos in dutiable value. The Philippine Consulate-General in Hong Kong charges HK\$5 for each set of five copies of the invoice and HK\$248 for consular endorsement. In the view of the Hong Kong authorities, these fees are excessive having regard to the provisions of Article VIII:1(a) of the General Agreement.

F. Export régime

23. Are the measures to boost exports compatible with Article XVI?

IV. Other questions

24. Provide the imports and exports statistics, both in terms of country by commodity and commodity by country, in 1970, 71, 72, and the latest customs tariff schedule.