

RESTRICTED

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GENERAL AGREEMENT ON TARIFFS AND TRADE

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ACCESSION OF THE PHILIPPINES

Supplemental Memorandum on Foreign Trade Régime

Addendum

The Government of the Philippines has submitted the following communication dated 27 November 1978.

In connexion with the procedures for the accession of the Philippines to the General Agreement, I refer to the section on internal revenue taxes contained in the Supplemental Memorandum on Foreign Trade Régime submitted by the Philippines (L/4724, page 4) and have the honour to enclose a tabulation listing the items which, in accordance with the Philippine revenue laws currently in force, are subject to tax rates which vary according to whether the items are locally manufactured or imported. It would be appreciated if you would communicate this information to contracting parties to the General Agreement.

TABULATION OF PROVISIONS OF REVENUE LAWS IMPOSING
DIFFERENT RATES OF SALES TAXES ON LOCALLY MANUFACTURED
AND IMPORTED ARTICLES UNDER TITLE V, NIRC OF 1977

Section No.	Articles	Tax rates on locally manufactured	Tax rates on imported
195	Automobiles	10 to 70 per cent	100 to 200 per cent
196	Air-conditioners	25 per cent	40 per cent
197	(a) Fountain pens and ball pens	10 to 25 per cent	25 per cent
	(b) Chairs, sofas, beds, desks, show- cases, book cases, lockers, cabinets except filing cabinets, medical and dental chairs	10 to 25 per cent	25 per cent
	(c) Watches, clocks, cases and move- ments therefore	10 to 25 per cent	25 per cent
	(d) Electric fans and exhaust fans	10 to 25 per cent	25 per cent
	(e) Electric, gas and oil stoves and ranges	10 to 25 per cent	25 per cent
	(f) Phonographs or gramophones; combination radio-phonograph sets; tape-recorders, video tape recorders, tape decks, car stereos, cassette-radio; and similar articles for reproducing and/or recording music, sound and image	10 to 25 per cent	25 per cent
	(g) Television sets, combination radio and television sets; and combina- tion radio-phonograph television sets	10 to 25 per cent	25 per cent
	(h) Household type refrigerators and freezers	10 to 25 per cent	25 per cent
198	Agricultural products	1 per cent	10 per cent
201	(a) Processed meat, milk, fish and other sea foods	5 per cent	10 per cent
	(b) Medicine	5 per cent	10 per cent
	(c) Writing pads, notebooks, ordinary lead pencils	5 per cent	10 per cent

TABULATION OF PROVISIONS OF REVENUE LAWS
IMPOSING DIFFERENT RATES OF SPECIFIC TAX ON IMPORTED ARTICLES
(TITLE IV, NIRC OF 1977)

Section No.	Articles	Tax on locally produced articles	Tax on imported articles
<u>145</u>	(a) <u>Distilled spirits</u> - produced domestically from locally produced raw materials	P1.10 per litre	
	If produced in a pot still or other similar primary distilling apparatus, by a distiller producing not more than 100 litres a day, containing not more than 50 per cent of alcohol by volume	0.78 per litre	
	(b) If imported or produced from imported raw materials		P27.50 per litre
<u>146</u>	(a) <u>Sparkling wines</u> (regardless of proof)		
	<u>Locally produced</u>	12.00 per litre	
	<u>If imported</u>		26.40 per litre
	(b) <u>Still wines</u> (containing 14 per cent of alcohol or less)		
	<u>Locally produced</u> (except those manufactured from locally grown raw materials)	1.00 per litre	
	<u>If imported</u>		2.20 per litre
<u>147</u>	(c) <u>Still wines</u> (containing more than 14 per cent of alcohol)		
	<u>Locally produced</u>	2.00 per litre	
	<u>If imported</u>		4.40 per litre
<u>147</u>	Fermented liquors (beer, lager beer, ale, porter, and other fermented liquors, except "tuba", "basi", "Tapuy" and similar domestic fermented liquors)	0.50 per litre	
	<u>Locally produced</u> <u>If imported, tax increased by 100 per cent</u>		1.00 per litre

Section No.	Articles	Tax on locally produced articles	Tax on imported articles
<u>149</u>	(b) <u>Cigarettes</u>		
	<u>Locally produced</u> Retail price per pack of 30's	<u>Specific tax per 1,000 cigarettes</u> <u>Local brands</u> <u>Foreign brands (*)</u>	
	(1) P0.80 or less	P3.00	P4.50
	(2) 0.81 - P1.00	5.00	7.50
	(3) 1.01 - 1.10	8.00	12.00
	<u>Locally produced</u> Retail price per pack of 20's	<u>Specific tax per 1,000 cigarettes</u> <u>Local brands</u> <u>Foreign brands (*)</u>	
	(4) P1.10 or less	P10.00	P15.00
	(5) 1.11 - P1.40	16.00	24.00
	(6) 1.41 - 1.70	18.00	27.00
	(7) 1.71 - 2.00	20.00	30.00
	(8) 2.01 - 2.50	32.00	48.00
	(9) 2.51 - 3.00	40.00	60.00
	(10) Over P3.00	50.00	75.00
	(11) If the cigarettes of local manufacture are of foreign brands or trade marks and being manufactured locally under licensing agreements with foreign brand or trade mark owners, the tax shall be increased by 50 per cent per thousand.		
	(*) (<u>Note:</u> Rates under the column "Foreign brands" represent the tax applicable to locally produced cigarettes of foreign brands or trade marks manufactured under licensing agreements with foreign brand or trade mark owners and therefore, 50 per cent higher than the tax on domestic cigarettes of local brands).		
	(12) If the cigarettes are of foreign manufacture, regardless of the retail price o contents per pack		P80.00 per 1,000
<u>157</u>	<u>Cinematographic films</u>		
	(a) <u>Of not more than 16 mm in width</u>		
	<u>Locally produced</u>	P0.22 1/2 per linear metre	
	<u>If imported, tax increased by 50 per cent</u>		P0.33 3/4 per linear metre
	(b) <u>Of more than 16 mm in width</u>		
	<u>Locally produced</u>	P0.30 per linear metre	
	<u>If imported, tax increased by 50 per cent</u>		P0.45 per linear metre

