

REPORT (2006) OF THE COMMITTEE ON CUSTOMS VALUATION TO THE COUNCIL FOR TRADE IN GOODS

A. BACKGROUND

1. The Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994 (the Agreement) entered into force on 1 January 1995. This report covers the year 2006. It addresses the work undertaken by the Committee on Customs Valuation (the Committee) in respect of the objectives of the Agreement, which are: to provide greater uniformity and certainty in the implementation of the provisions of Article VII of the GATT 1994; to establish a fair, uniform and neutral system for the valuation of goods for customs purposes that precludes the use of arbitrary or fictitious customs values; to ensure that the basis for valuation of goods for customs purposes should, to the greatest extent possible, be the transaction value of the goods being valued; and to secure additional benefits for the international trade of developing countries.

2. During the period under consideration, the Committee has held two formal meetings, on 25 April (G/VAL/M/41) under the Chairmanship of Mr. Jooha Woo (Korea), and 6 October (G/VAL/M/42 to be issued) under the Chairmanship of Ms. Diana Reaich (New Zealand). At the meeting of 25 April 2006, the Committee elected Ms. Diana Reaich (New Zealand) as Chairperson for 2006-2007.

3. Participation in the Committee is open to all WTO Members. In addition, Governments granted observer status by the WTO General Council attended Committee meetings as observers. At the April 1997 meeting, the Committee granted observer status to those organizations which had had observer status on an *ad hoc* basis, namely UNCTAD and the WCO, as well as to the ACP and the IADB. The Committee took note of the fact that the World Bank and the IMF had observer status by virtue of the Agreements between these organizations and the WTO.

4. The Committee's rules of procedure, which were approved by the Council for Trade in Goods, are contained in G/L/146.

B. IMPLEMENTATION OF THE AGREEMENT

5. During the period under review, no developing country Members maintained delayed application of the provisions of the Agreement in accordance with the provisions of Article 20.1 of the Agreement. At circulation of this report, no Member maintains an extension of the delay period in accordance with the provisions of paragraph 1, Annex III. Understanding has been reached in the Committee that the texts of the national legislation of these developing country Members will be supplied to the Committee before the developing country Members begin applying the provisions of the Agreement (G/VAL/5, paragraph B.2(ii)). In addition, at circulation of the report, one Member (Senegal) maintains a reservation granted under Article IX of the WTO Agreement for application of minimum values.

6. To date, 73 Members have notified their national legislation on customs valuation (this figure includes the 14 Members which have submitted communications indicating that their legislation notified under the Tokyo Round Customs Valuation Agreement remained valid under the WTO Customs Valuation Agreement and does not include the 25 individual EC Members). 51 Members have not yet made any notification (See Annex).

C. ACTIVITIES OF THE COMMITTEE

7. At the meeting on 25 April 2006, the Committee:

- concluded its examination of the legislation of India and Mexico. It agreed to revert to the examination of the legislation of Thailand at the next meeting;
- took note of the information in document G/VAL/2/Rev.22 which contained a list of Members having invoked the special and differential provisions of the Customs Valuation Agreement. It also took note of document G/VAL/W/76/Add.11 which informed Members that all extensions of the paragraph 1, Annex III delay period and paragraph 2, Annex III reservations had expired;
- held a first discussion on a complaint from Panama on certain customs measures applied by Colombia to imports of goods from Panama and other WTO Members;
- took note of the information presented regarding technical assistance activities on customs valuation held thus far in 2006;
- took note of the eight documents containing the Annual Reviews, namely G/VAL/W/29, G/VAL/W/43, G/VAL/W/77, G/VAL/W/89, G/VAL/W/108, G/VAL/W/124, G/VAL/W/136, and G/VAL/W/150 and agreed to revert to this item at the next meeting;
- agreed to carry out the Review of the PSI Agreement in the Committee and to request Members to make submissions for this Review for the next meeting;
- hearing the report from the Chairman informing Members that he had carried out consultations on paragraph 8.3 of the Decision on Implementation-Related Issues and Concerns and that no new developments had been made in the matter, agreed that the incoming Chair would continue consultations and that the Committee would revert to the matter at the next meeting of the Committee;
- elected Ms. Diana Reaich (New Zealand) as its Chair for 2006-2007.

8. At the meeting on 6 October 2006, the Committee:

- concluded the fifth Transitional Review of China's implementation of the Agreement on Customs Valuation, in accordance with paragraph 18 of China's Protocol of Accession;
- continued its examination of the legislation of Thailand during which responses to US questions were received from Thailand; heard the Philippines, supported by the US, raise concerns about certain customs practices against Thai imports of cigarettes from the Philippines; and heard general and systemic concerns from Switzerland which also sought further information on the issue;
- was urged by the Chair to increase notifications as there had been none received during the past year;
- heard an up-date from Panama regarding its complaint against certain Colombian customs measures applied to imports of goods from Panama and other WTO Members;
- adopted its annual report to the Council for Trade in Goods;
- took note of the nine documents containing the Annual Reviews since 1998, namely G/VAL/W/29, G/VAL/W/43, G/VAL/W/77, G/VAL/W/89, G/VAL/W/108, G/VAL/W/124, G/VAL/W/136; G/VAL/W/150; and G/VAL/W/156 which have not been adopted by the Committee and agreed to revert to this item at the next meeting;
- agreed to conclude the second Review of the Agreement on Preshipment Inspection;
- agreed to revert to paragraph 8.3 of the Doha Ministerial Decision on Implementation-Related Issues at the next meeting;

ANNEX¹

Notifications

Members	Members who have indicated their legislation remains valid under the WTO Agreement (G/VAL/M/1)	Members who have submitted their legislation or amendments under Articles 22.1 and 22.2 of the Agreement	Members who have submitted their replies to the Checklist of Issues (G/VAL/5)	Members who are delaying application of the Agreement under Article 20.1 or para. 1, Annex III of the Agreement or Article IX of the WTO Agreement
Albania	N/A	G/VAL/N/1/ALB/1		
Angola	N/A			
Antigua & Barbuda	N/A			
Argentina	G/VAL/N/1/ARG/1	VAL/1/Add.22 + Suppl. 1-4 + Suppl. 2/Rev.1	VAL/2/Rev.2/Add.4	
Armenia		G/VAL/N/1/ARM/1	G/VAL/N/2/ARM/1	
Australia	G/VAL/N/1/AUS/1	VAL/1/Add.14 + Suppl. 1-4 G/VAL/N/1/AUS/2	VAL/2/Rev.1/Add.12 + Suppl.1	
Bahrain	N/A			
Bangladesh	N/A			
Barbados	N/A			
Belize	N/A			
Benin	N/A			
Bolivia	N/A	G/VAL/N/1/BOL/1		
Botswana		VAL/1/Add.16		
Brazil	G/VAL/N/1/BRA/1	VAL/1/Add.20 + Suppl.1 G/VAL/N/1/BRA/2 and 3	VAL/2/Rev.2/Add.3	
Brunei Darussalam	N/A	G/VAL/N/1/BRN/1	G/VAL/N/2/BRN/1	
Bulgaria	N/A	G/VAL/N/1/BGR/1	G/VAL/N/2/BGR/1	
Burkina Faso	N/A	G/VAL/N/1/BFA/1		
Burundi	N/A			
Cambodia	N/A			
Cameroon	N/A			
Canada	G/VAL/N/1/CAN/1	VAL/1/Add.17 + Suppl.1-3 G/VAL/N/1/CAN/2	VAL/2/Rev.1/Add.14 G/VAL/N/2/CAN/1	
Central African Rep.	N/A			
Chad	N/A			
Chile	N/A	G/VAL/N/1/CHL/1		
China	N/A	G/VAL/N/1/CHN/1, 2, 3 and 4	G/VAL/N/2/CHN/1	
Colombia	N/A	G/VAL/N/1/COL/1	G/VAL/N/2/COL/1	
Congo	N/A			
Costa Rica	N/A	G/VAL/N/1/CRI/1	G/VAL/N/2/CRI/1	
Côte d'Ivoire	N/A	G/VAL/N/1/CVI/1		
Croatia	N/A	G/VAL/N/1/HRV/1	G/VAL/N/2/HRV/1	
Cuba	N/A	G/VAL/N/1/CUB/1	G/VAL/N/2/CUB/1	
Dem Rep. of Congo	N/A			
Djibouti	N/A			
Dominica	N/A	G/VAL/N/1/DMA/1		
Dominican Rep.	N/A	G/VAL/N/1/DOM/1		
Ecuador	N/A			
Egypt	N/A			
El Salvador	N/A			

¹ Documents that begin with the code "VAL" are Tokyo Round documents. The table reflects the situation as of the date of circulation of this report.

Members	Members who have indicated their legislation remains valid under the WTO Agreement (G/VAL/M/1)	Members who have submitted their legislation or amendments under Articles 22.1 and 22.2 of the Agreement	Members who have submitted their replies to the Checklist of Issues (G/VAL/5)	Members who are delaying application of the Agreement under Article 20.1 or para. 1, Annex III of the Agreement or Article IX of the WTO Agreement
European Communities	G/VAL/N/1/EEC/1	VAL/1/Add.2 + Suppl.1-13 + Suppl.1 G/VAL/N/1/EEC/1/Rev.1	VAL/2/Rev.1/Add.6	
Fiji	N/A	G/VAL/N/1/FJI/1	G/VAL/N/2/FJI/1	
Former Yugoslav Rep. of Macedonia	N/A	G/VAL/N/1/MKD/1	G/VAL/N/2/MKD/1	
Gabon	N/A	G/VAL/N/1/GAB/1		
Gambia	N/A			
Georgia	N/A	G/VAL/N/1/GEO/1		
Ghana	N/A			
Grenada	N/A			
Guatemala	N/A	G/VAL/N/1/GTM/1		
Guinea Bissau	N/A			
Guinea, Rep. of	N/A			
Guyana	N/A			
Haiti	N/A			
Honduras	N/A			
Hong Kong, China	G/VAL/N/1/HKG/1	VAL/1/Add.9	N/A	
Iceland	N/A	G/VAL/N/1/ISL/1	G/VAL/N/2/ISL/1	
India	G/VAL/N/1/IND/1	VAL/1/Add.24 + Suppl.1 G/VAL/N/1/IND/2 and 3	VAL/2/Rev.2/Add.6 G/VAL/N/2/IND/1 + Corr.1	
Indonesia	N/A	G/VAL/N/1/IDN/1		
Israel	N/A	G/VAL/N/1/ISR/1 + Corr.1	G/VAL/N/2/ISR/1	
Jamaica	N/A	G/VAL/N/1/JAM/1	G/VAL/N/2/JAM/1	
Japan	G/VAL/N/1/JPN/1	VAL/1/Add.7	VAL/2/Rev.1/Add.8 G/VAL/N/2/JPN/1	
Jordan	N/A	G/VAL/N/1/JOR/1	G/VAL/N/2/JOR/1	
Kenya	N/A	G/VAL/N/1/KEN/1	G/VAL/N/2/KEN/1	
Korea	G/VAL/N/1/KOR/1	VAL/1/Add.19 + Suppl. 1-4 + Suppl.3/Corr.1 G/VAL/N/1/KOR/2	VAL/2/Rev.2/Add.1 + Suppl.1	
Kuwait	N/A			
Kyrgyz Republic	N/A	G/VAL/N/1/KGZ/1	G/VAL/N/2/KGZ/1	
Lesotho		VAL/1/Add.21 + Suppl.1	VAL/2/Rev.2/Add.2	
Liechtenstein	N/A	G/VAL/N/1/LIE/1	N/A	
Macao, China	N/A	G/VAL/N/1/MAC/1	N/A	
Madagascar	N/A	G/VAL/N/1/MDG/1		
Malawi	G/VAL/N/1/MWI/1	VAL/1/Add.27		
Malaysia	N/A	G/VAL/N/1/MYS/1	G/VAL/N/2/MYS/1	
Maldives	N/A			
Mali	N/A			
Mauritania	N/A			
Mauritius	N/A	G/VAL/N/1/MUS/1	G/VAL/N/2/MUS/1	
Mexico	N/A	VAL/1/Add.25 + Suppl. 1-3 + Suppl.1/Rev.1 G/VAL/N/1/MEX/1	VAL/2/Rev.1/Add.10 VAL/2/Rev.2/Add.8 G/VAL/N/2/MEX/1 and Corr 1	
Moldova	N/A	G/VAL/N/1/MDA/1	G/VAL/N/2/MDA/1	
Mongolia	N/A			
Morocco	N/A	G/VAL/N/1/MAR/1 and 2 G/VAL/N/1/MAR/1/Rev.1 + Corr.1	G/VAL/N/2/MAR/1 G/VAL/N/2/MAR/2	
Mozambique	N/A	G/VAL/N/1/MOZ/1		

Members	Members who have indicated their legislation remains valid under the WTO Agreement (G/VAL/M/1)	Members who have submitted their legislation or amendments under Articles 22.1 and 22.2 of the Agreement	Members who have submitted their replies to the Checklist of Issues (G/VAL/5)	Members who are delaying application of the Agreement under Article 20.1 or para. 1, Annex III of the Agreement or Article IX of the WTO Agreement
Myanmar	N/A			
Namibia	N/A	G/VAL/N/1/NAM/1		
Nepal	N/A			
New Zealand	G/VAL/N/1/NZL/1	VAL/1/Add.12 + Suppl.1	VAL/2/Rev.1/Add.10	
Nicaragua	N/A			
Niger	N/A			
Nigeria	N/A			
Norway	G/VAL/N/1/NOR/1	VAL/1/Add.11 + Corr.1 + Suppl. 1-2	VAL/2/Rev.1/Add.7	
Oman	N/A	G/VAL/N/1/OMN/1	G/VAL/N/2/OMN/1	
Pakistan	N/A	G/VAL/N/1/PAK/1		
Panama	N/A	G/VAL/N/1/PAN/1	G/VAL/N/2/PAN/1	
Papua New Guinea	N/A			
Paraguay	N/A	G/VAL/N/1/PRY/1		
Peru	N/A	G/VAL/N/1/PER/1 - 3		
Philippines	N/A	G/VAL/N/1/PHL/1	G/VAL/N/2/PHL/1	
Qatar	N/A	G/VAL/N/1/QAT/1	G/VAL/N/2/QAT/1	
Romania	N/A	VAL/1/Add.8 + Suppl. 1-2 G/VAL/N/1/ROM/1 and 2	VAL/2/Rev.1/Add.9	
Rwanda	N/A			
St. Kitts & Nevis	N/A			
St. Lucia	N/A			
St. Vincent & Grenadines	N/A			
Saudi Arabia	N/A			
Senegal	N/A	G/VAL/N/1/SEN/1		
Sierra Leone	N/A			
Singapore	N/A	G/VAL/N/1/SGP/1	G/VAL/N/2/SGP/1	
Solomon Islands	N/A			
South Africa	N/A	VAL/1/Add.15 + Corr.1 + Suppl. 1-3 G/VAL/N/1/ZAF	VAL/2/Rev.1/Add.13	
Sri Lanka	N/A			
Suriname	N/A	G/VAL/N/1/SUR/1		
Swaziland	N/A		G/VAL/N/2/SWZ/1	
Switzerland	G/VAL/N/1/CHE/1	VAL/1/Add.5	N/A	
Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu (Chinese Taipei)	N/A	G/VAL/N/1/TPKM/1	G/VAL/N/2/TPKM/1-2	
Thailand	N/A	G/VAL/N/1/THA/1	G/VAL/N/2/THA/1	
Togo	N/A			
Trinidad & Tobago	N/A	G/VAL/N/1/TTO/1	G/VAL/N/2/TTO/1	
Tunisia	N/A	G/VAL/N/1/TUN/1		
Turkey	G/VAL/N/1/TUR/1	VAL/1/Add.29 G/VAL/N/1/TUR/ 2	G/VAL/N/2/TUR/1	
Uganda	N/A	G/VAL/N/1/UGA/1		
United Arab Emirates	N/A			
United States	G/VAL/N/1/USA/1	VAL/1/Add.1 + Suppl.1-5	VAL/2/Rev.1/Add.1	
Uruguay	N/A	G/VAL/N/1/URY/1	G/VAL/N/2/URY/1	
Venezuela, The Bolivarian Rep. of	N/A	G/VAL/N/1/VEN/1	G/VAL/N/2/VEN/1	

Members	Members who have indicated their legislation remains valid under the WTO Agreement (G/VAL/M/1)	Members who have submitted their legislation or amendments under Articles 22.1 and 22.2 of the Agreement	Members who have submitted their replies to the Checklist of Issues (G/VAL/5)	Members who are delaying application of the Agreement under Article 20.1 or para. 1, Annex III of the Agreement or Article IX of the WTO Agreement
Zambia	N/A	G/VAL/N/1/ZMB/1		
Zimbabwe	G/VAL/N/1/ZWE/1	VAL/1/Add.23	VAL/2/Rev.2/Add.5	
TOTAL NOTIFIED		73 ²	50	

² This total number includes Members which have notified that their legislation remains valid under the WTO Agreement (i.e. those in the second column of the table) and those which have notified their legislation pursuant to Article 22 of the WTO Agreement and the Decision on Notifications (G/VAL/5).