

# WORLD TRADE ORGANIZATION

G/L/833  
6 November 2007

(07-4835)

## REPORT (2007) 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 2007. 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 8 May (G/VAL/M/43) and 18 October (G/VAL/M/44) under the Chairmanship of Mr. Joe McClinton (United Kingdom). At the meeting of 8 May 2007, the Committee elected Mr. McClinton as Chairperson for the 2007-2008 period.
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, para. B.2(ii)).
6. To date, 74 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 27 individual EC Members). 50 Members have not yet made any notification (See Annex).

C. ACTIVITIES OF THE COMMITTEE

7. At the meeting on 8 May 2007, the Committee:

- concluded its examination of the legislation of the Former Yugoslav Republic of Macedonia and Swaziland. It agreed to revert to the examinations of the legislation of Egypt, Saudi Arabia, Tanzania and Thailand at the next meeting;
- heard complaints from the Philippines, supported by the US, the EC, Switzerland, and Japan regarding certain customs practices of Thailand on imports of cigarettes, and complaints by the US and the EC on certain Thai customs practices regarding imports of alcoholic beverages;
- took note of the information in document G/VAL/2/Rev.24 which contained a list of Members having invoked the special and differential provisions of the Customs Valuation Agreement, and of the status report presented by Senegal in G/VAL/W/159 and Corr.1 pursuant to its waiver decision in WT/L/655 on the implementation of minimum values for certain products;
- took note of the information presented regarding technical assistance activities on customs valuation held thus far in 2007;
- took note of the nine 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, G/VAL/W/150 and G/VAL/W/156 and Corr.1 and agreed to revert to this item at the next meeting;
- was informed of the conclusion of the second case brought to the Independent Entity established under Article 4 of the Agreement on Preshipment Inspection;
- agreed that the Chairman would hold informal consultations on paragraph 8.3 of the Decision on Implementation-Related Issues and Concerns and that the Committee would revert to the matter at the next meeting of the Committee;
- elected Mr. Joe McClintock (United Kingdom) as its Chair for 2007-2008.

8. At the meeting on 18 October 2007, the Committee:

- agreed to revert to the examinations of the legislation of Egypt, Saudi Arabia, Tanzania and Thailand at the next meeting;
- heard complaints regarding Thailand's implementation of the Agreement by the EC, and the US, supported by the Philippines, regarding importations of alcoholic beverages, and heard complaints from the Philippines and several other Members about certain customs practices against Thai imports of cigarettes;
- took note that there had been no changes to the list of Members having invoked the special and differential provisions of the Customs Valuation Agreement (as listed in G/VAL/2/Rev.24), and agreed to revise this document only if there was a change in this situation;
- took note of the information presented regarding technical assistance activities on customs valuation held thus far in 2007;
- took note of the ten 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, G/VAL/W/150; G/VAL/W/156 and Corr.1; and G/VAL/W/162 and agreed to revert to this item at the next meeting;
- received a new proposal from India on paragraph 8.3 of the Doha Ministerial Decision on Implementation-Related Issues and agreed to revert to the matter at the next meeting;
- concluded the sixth Transitional Review of China's implementation of the Agreement on Customs Valuation, in accordance with paragraph 18 of China's Protocol of Accession;
- adopted its annual report to the Council for Trade in Goods;
- took note of two items raised by the United States under Other Business, one related to Indonesian customs practices, and the other Nigerian Price Reference Regimes

**ANNEX<sup>1</sup>**

**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	
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/CIV/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	G/VAL/N/1/EGY/1	G/VAL/N/2/EGY/1	
El Salvador	N/A			
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	

<sup>1</sup> 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
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/1KEN/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		
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	

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
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	
Rwanda	N/A			
St. Kitts & Nevis	N/A			
St. Lucia	N/A			
St. Vincent & Grenadines	N/A			
Saudi Arabia	N/A	G/VAL/N/1/SAU/1	G/VAL/N/2/SAU/1	
Senegal	N/A	G/VAL/N/1/SEN/1		
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	
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	
Tanzania		G/VAL/N/1/TZA/1	G/VAL/N/2/TZA/1	
Thailand	N/A	G/VAL/N/1/THA/1	G/VAL/N/2/THA/1	
Togo	N/A			
Tonga				
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	
Viet Nam				
Zambia	N/A	G/VAL/N/1/ZMB/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
Zimbabwe	G/VAL/N/1/ZWE/1	VAL/1/Add.23	VAL/2/Rev.2/Add.5	
TOTAL NOTIFIED		74 <sup>2</sup>	52	

---

<sup>2</sup> 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).