

REPORT (2002) OF THE COMMITTEE ON CUSTOMS VALUATION TO THE COUNCIL FOR TRADE IN GOODS

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 2002. 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 seven formal meetings, on 26 February (G/VAL/M/25) and 27 March (G/VAL/M/26) under the Chairship of Mr. K. J. Weerasinghe (Sri Lanka); and on 6-7 May (G/VAL/M/27 and Corr.1, G/VAL/M/28); 26 June (G/VAL/M/29); 3 and 26 July (G/VAL/M/30 and Corr.1 and Add.1); 30 September-1 October (G/VAL/M/31); and 4-5 November (G/VAL/M/32 to be issued) under the Chairship of Mr. Raimundas Karoblis (Lithuania). At the 27 March meeting, the Committee elected Mr. Raimundas Karoblis (Lithuania) as Chairperson for 2002. The Committee is also scheduled to meet on 29 November 2002. However the proceedings of that meeting will not be reflected in this report.

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.

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, 1 Member (Sri Lanka) maintains an extension of the delay period in accordance with the provisions of paragraph 1, Annex III. Three requests for extensions are still pending agreement by Members. 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)). In addition, at circulation of the report, six Members maintain reservations which have been granted under paragraph 2, Annex III for minimum values (Colombia, Gabon, Guatemala, Honduras, Nicaragua, and Jamaica).

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 individual EEC Members). 56 Members, (of which 1 has an Article IX waiver from its obligations under the Agreement and 3 have requested extensions of the Article 20.1 delays) have not yet made any notification (See Annex).

ACTIVITIES OF THE COMMITTEE

7. At the meeting in February 2002:

- the Committee adopted a schedule of meetings for 2002 contained in G/VAL/44. It heard a re-introduction by India of the five implementation-related proposals that the Committee is mandated to address this year (pursuant to paragraph 12 of WT/MIN(01)/DEC/1 and Job(01)/152/Rev.1).

8. At the meeting in March 2002:

- the Committee had an exchange of views on the implementation-related proposals as well as on the Decision in paragraph 8.3 of WT/MIN(01)/17;
- the Committee examined the draft programme for the Seminar on Technical Assistance;
- the Committee elected Mr. Raiumndas Karoblis (Lithuania) as Chairman for 2002.

9. At the meeting in May 2002;

- The Committee concluded the examination of the implementing legislation of Brunei Darussalam, Croatia, Georgia, Kenya, Korea, Lithuania, Moldova, Tunisia, and Venezuela. It was agreed to revert to that of Peru at the next meeting;
- The Committee took note of the information in document G/VAL/2/Rev.12 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.1 which contained an updated inventory of notification requirements pursuant to extension decisions and minimum value reservations, and the notifications that had been made under the Decisions concerning delay extensions and minimum value reservations;
- The Committee took note of the four documents containing the Annual Reviews, namely G/VAL/W/29, G/VAL/W/43, G/VAL/W/77, and G/VAL/W/88 and agreed that the incoming Chair would take up the matter through consultations among the interested Members;
- The Committee held an extensive discussion on the draft programme for a Seminar on Technical Assistance;
- The Committee agreed to revert to the item of India's questions about certain valuation policies of the European Communities at its next meeting;
- No clear guidance was given on the question of holding another review of the Agreement on Preshipment Inspection; it was agreed to revert to this matter at the next meeting;
- The Committee noted that it was obliged to report to the General Council at the end of the year under the China Transitional Review Mechanism and authorized the Chairman to carry out informal consultations on how to organize the work of the Committee on this point;
- The Committee continued its discussion of the implementation-related issues (five proposals plus paragraph 8.3) referred to it by Ministers at Doha and took note of the questions posed to India in documents G/VAL/W/98 and Add.1-5.
- The Committee took note of the report on the work of the Technical Committee of the World Customs Organization (WCO).

10. At the meeting in June 2002:

- The Committee agreed to grant Sri Lanka an extension of its delay period for applying the Agreement on Customs Valuation, in accordance with paragraph 1, Annex III of the Agreement (G/VAL/46).

11. At the meeting in July 2002:

- The Committee had an exchange of views on the implementation-related proposals as well as on the Decision in paragraph 8.3;
- The Committee adopted the draft programme for the Seminar on Technical Assistance (G/VAL/47);
- The Committee agreed that China's Transitional Review Mechanism would take place at its meeting of 4-5 November 2002.

12. At the meeting in September-October 2002:

- The Committee continued the exchange of views on the implementation-related issues in paragraph 8.3 of WT/MIN(01)/17 and those under paragraph 12 of WT/MIN(01)/DEC/1 on the basis of India's responses (G/VAL/W/101) to the questions posed and India's submission on paragraph 8.3 (G/VAL/W/102), and discussed the future work leading to the end-of-year reports to the Trade Negotiating Committee and the General Council on these matters
- The Committee took note of a report from the WCO on its work on the exchange of information among customs administrations.

13. At the meeting of 4-5 November 2002:

- The Committee took note of the information in document G/VAL/2/Rev.13 which contained a list of Members having invoked the special and differential provisions of the Customs Valuation Agreement, and in document G/VAL/W/76/Add.2 on the notification requirements pursuant to extension decisions and minimum value reservations, and the notifications that had been made under the Decisions concerning delay extensions and minimum value reservations;
- The Committee took note of the five documents containing the Annual Reviews, namely G/VAL/W/29, G/VAL/W/43, G/VAL/W/77, G/VAL/W/88, and G/VAL/W/108 and agreed to revert to this matter at the next meeting;
- The Committee took note of the programme for the Seminar on Technical Assistance (G/VAL/47/Rev.2);
- The Committee agreed to revert to the item of India's questions about certain valuation policies of the European Communities at its next meeting;
- The Committee adopted its annual report to the Council for Trade in Goods;
- No clear guidance was given on the question of holding another review of the Agreement on Preshipment Inspection; it was agreed to revert to this matter at the next meeting;
- The Committee completed China's Transitional Review in accordance with paragraph 18 of the Protocol of the Accession of the People's Republic of China;
- The Committee heard questions from Guatemala on certain valuation policies of Mexico (G/VAL/W/114);
- The Committee continued discussion of the five implementation-related tirets and adopted its report to the Trade Negotiations Committee (G/VAL/49); it would continue its work on paragraph 8.3, including its report to the General Council, at the 29 November meeting;
- The Committee took note of the report on the work of the WCO Technical Committee.

14. The Seminar on Technical Assistance on Customs Valuation, as foreseen in the Committee's Technical Assistance Work Programme (G/VAL/W/82/Rev.2), was held at the WTO Headquarters on 6-7 November 2002.

ANNEX¹

Notifications

Members	Members who have indicated their legislation remains valid under the WTO Committee (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	
Australia	G/VAL/N/1/AUS/1	VAL/1/Add.14 + Suppl. 1-4	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/2	
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			
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			
China	N/A	G/VAL/N/1/CHN/1	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	
Cyprus	N/A	VAL/1/Add.26 G/VAL/N/1/CYP/2	VAL/2/Rev.2/Add.7	
Czech Republic	N/A	VAL/1/Add.18 + Suppl.1/Corr.1 – 2 G/VAL/N/1/CZE/1,2 and 3	VAL/2/Rev.1/Add.15 + Suppl.1 G/VAL/N/2/CZE/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 Committee (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
Estonia	N/A	G/VAL/N/1/EST/1	G/VAL/N/2/EST/1	
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	
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			
Guinea Bissau	N/A			
Guinea, Rep. of	N/A			
Guyana	N/A			
Haiti	N/A			WT/L/439
Honduras	N/A			
Hong Kong, China	G/VAL/N/1/HKG/1	VAL/1/Add.9	N/A	
Hungary	G/VAL/N/1/HUN/1	VAL/1/Add.6	VAL/2/Rev.1/Add.4	
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/2-3	VAL/2/Rev.2/Add.6	
Indonesia	N/A	G/VAL/N/1/IDN/1	G/VAL/N/2/IDN/1 + Corr.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	
Latvia	N/A	G/VAL/N/1/LVA/1	G/VAL/N/2/LVA/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	
Lithuania	N/A	G/VAL/N/1/LTU/1	G/VAL/N/2/LTU/1	
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			
Malta	N/A	G/VAL/N/1/MLT/1	G/VAL/N/2/MLT/1	
Mauritania	N/A			
Mauritius	N/A	G/VAL/N/1/MUS/1	G/VAL/N/2/MUS/1	
Mexico		VAL/1/Add.25 + Suppl. 1-3 + Suppl.1/Rev.1	VAL/2/Rev.1/Add.10 VAL/2/Rev.2/Add.8	
Moldova	N/A	G/VAL/N/1/MDA/1	G/VAL/N/2/MDA/1	
Mongolia	N/A			

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Morocco	N/A	G/VAL/N/1/MAR/1 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			
Myanmar	N/A			
Namibia	N/A	G/VAL/N/1/NAM/1		
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			
Peru	N/A			
Philippines	N/A	G/VAL/N/1/PHL/1		
Poland	N/A	VAL/1/Add.28 G/VAL/N/1/POL/1 and 2	G/VAL/N/2/POL/1	
Qatar	N/A			
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			G/VAL/W/84 ²
St. Kitts & Nevis	N/A			
St. Lucia	N/A			
St. Vincent & Grenadines	N/A			
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	
Slovak Republic	G/VAL/N/1/SVK/1	VAL/1/Add.18 + Suppl.1/Corr.1-2 G/VAL/N/1/SVK/2	VAL/2/Rev.1/Add.15 + Suppl.1	
Slovenia	N/A	G/VAL/N/1/SVN/1 and 2	G/VAL/N/2/SVN/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			G/VAL/W/105 ²
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	N/A			

² This is a pending request for an extension of the delay period in accordance with paragraph 1, Annex III.

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Thailand	N/A			
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			
United Arab Emirates	N/A			G/VAL/W/83 ²
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	
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 ³	54	

³ This total number includes notifications by Members who have indicated their legislation remains valid under the WTO Committee (i.e. those in the first column of the table) and those made pursuant to Article 22 of the Agreement and the Decision on Notifications (G/VAL/5).