

REPORT (2004) 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 2004. 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 March (G/VAL/M/37) under the Chairmanship of Mr Ivan Lee (Hong Kong, China) and 25 October (G/VAL/M/38) under the Chairmanship of Mr. Robin Twyman (United Kingdom). At the 25 October meeting, the Committee elected Mr Robin Twyman as Chairman for 2004-2005.

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)). In addition, at circulation of the report, four Members maintain reservations which have been granted under paragraph 2, Annex III for minimum values, or under the Article IX waiver provisions (El Salvador, Guatemala, Senegal, and Sri Lanka).

6. To date, 68 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). Fifty-five Members have not yet made any notification (see Annex).

C. ACTIVITIES OF THE COMMITTEE

7. At the meeting on 8 March 2004:

The Committee:

- concluded its examination of the legislation of Chile. It agreed to revert to the customs legislation of Armenia, Burkina Faso, China, Peru, Thailand and amendments to India's and China's legislation at the next meeting of the Committee;
- took note of the information in document G/VAL/2/Rev.18 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.7 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;
- noted that the delay period has now expired for all developing countries, which should now all be applying the Agreement. The delegation of Rwanda, which had an outstanding request for an extension of the delay period was retracted following Rwanda's application of the Agreement as from 1 January 2004;
- 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/89, G/VAL/W/108, and G/VAL/W/124/ M, and agreed to revert to this item at the next meeting;
- agreed to revert to the item of India's questions about certain valuation policies of the European Communities at its next meeting;
- the question of holding another review of the Agreement on Preshipment Inspection remained undecided and it was agreed to revert to this matter at the next meeting;
- agreed to revert to the item of paragraph 8.3 of the Decision on Implementation-Related Issues and Concerns at the next meeting as no new developments had been made in the matter;
- took note that the WTO Committee on Trade and Development had adopted the 2004 Technical Assistance Plan (as in WT/COMTD/W/119/Rev.3. and also noted the need to avoid two parallel and repetitive exercises. However Members were encouraged to continue to inform the Committee of the various technical assistance activities carried out by them on bilateral and other fronts;
- took note of the report on the on-going work of the Technical Committee.

8. At the meeting on 25 October 2004:

The Committee:

- elected Mr Robin Twyman (United Kingdom) as Chairperson for the year 2004-2005;
- concluded the examination of the National Legislations of Paraguay, the Philippines and Tanzania, and agreed to revert to the examination of the National Legislations of Armenia, Burkina Faso, China, India, Mexico, Peru and Thailand;
- took note of the information in document G/VAL/2/Rev.19 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.8 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. There was a discussion on Members' obligations under certain Committee Decisions

and Article IX waivers granting minimum value reservations. Members appreciated the notifications made by Guatemala, El Salvador and the United Arab Emirates which sought to explain how they were meeting these obligations. Members asked the Secretariat to contact all members with extensions of delay or reservations of minimum values to remind them of their responsibility to provide the Committee with progress reports;

- agreed to revert to a later meeting Sri Lanka's request for a further extension to the reservation of minimum values, pending the outcome of Sri Lanka's ongoing consultations with interested members;
- carried out the Transitional Review Mechanism in accordance with Paragraph 18 of the Protocol of Accession of the People's Republic of China (G/VAL/57 and Corr.1);
- adopted its annual report to the Council for Trade in Goods;
- agreed to revert to the matter of the European Communities' valuation policies pending Brazil's examination of EC's responses to its earlier questions;
- agreed to revert to the item of the Fourth through Tenth (G/VAL/W/136) Annual Reviews at the next meeting of the Committee;
- agreed to revert to the question of an Article 6 Review of the PSI Agreement at its next meeting;
- agreed that the Chair would carry out informal consultations on Paragraph 8.3 of the Doha Decision on Implementation-Related Issues and Concerns and revert to it at the next meeting of the Committee or earlier if there were any developments in Member's positions;
- took note of the report on the on-going work of the Technical Committee.

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	
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			
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		

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
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			
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			
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			
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	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	

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
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/N1/MEX/1	VAL/2/Rev.1/Add.10 VAL/2/Rev.2/Add.8 G/VAL/N/2/MEX/1 and Cor 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			
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			
Philippines	N/A	G/VAL/N/1/PHL/1	G/VAL/N/2/PHL/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			
St. Kitts & Nevis	N/A			
St. Lucia	N/A			

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
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	
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	N/A		G/VAL/N/2/TZA/1	
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			
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	
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		68 ²	48	

² 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 WTO Agreement and the Decision on Notifications (G/VAL/5).