

WORLD TRADE ORGANIZATION

G/L/863
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(08-5325)

REPORT (2008) 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 2008. 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 6 May (G/VAL/M/45) under the Chairmanship of Mr. Joe McClinton (United Kingdom), and on 17 October (G/VAL/M/46 to be issued) under the Chairmanship of Ms. Octavia Cerchez (Romania). Ms. Cerchez was elected by the Committee as Chairperson for the 2008-2009 period at the meeting of 6 May 2008.

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, 80 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). 48 Members have not yet made any notification (See Annex).

C. ACTIVITIES OF THE COMMITTEE

7. At the meeting on 6 May 2008, the Committee:

- concluded the examination of the legislations of Kuwait and Saudi Arabia and agreed to revert to the legislations of Albania, Bahrain, China, Egypt, Tanzania, and Thailand at the next meeting, pending responses to questions on the legislations;
- took note of the information presented regarding technical assistance activities on customs valuation held thus far in 2008;
- agreed to revert to the issue of the Annual Reviews of the Agreement at the next meeting;
- exchanged inconclusive views on a new Indian proposal under paragraph 8.3 of the Doha Ministerial Decision on Implementation-Related Issues, and agreed to revert to the matter at the next meeting of the Committee;
- heard views expressed by some Members on Thailand's customs valuation practices on alcoholic beverage and cigarette imports;
- under Other Business, heard questions posed by the United States to India and Indonesia on their customs valuation practices;
- elected Ms. Octavia Cerchez (Romania) as its Chair for 2008-2009.

8. At the meeting on 17 October 2008, the Committee:

- agreed to revert to the legislation of Albania, Bahrain, Belize, China, Egypt, Nigeria, Tanzania, Thailand and Ukraine at the next meeting, pending responses to questions on the legislations; it concluded the examination of the legislation of Oman;
- had a further exchange of views on the Indian proposal under paragraph 8.3 of the Doha Ministerial Decision on Implementation-Related Issues and agreed to revert to the matter at the next meeting;
- took note of the information presented regarding technical assistance activities on customs valuation held in 2008;
- concluded the seventh Transitional Review of China's implementation of the Agreement on Customs Valuation, in accordance with paragraph 18 of China's Protocol of Accession;
- took note of the eleven documents containing the Annual Reviews of the Agreement, 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; G/VAL/W/162 and G/VAL/W/171, and agreed to revert to this item at the next meeting;
- adopted its annual report to the Council for Trade in Goods;
- took note of the responses presented by India to the questions posed at the last meeting by the United States under Other Business.

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	G/VAL/N/2/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		G/VAL/N/2/BHR/1	
Bangladesh	N/A			
Barbados	N/A			
Belize	N/A	G/VAL/N/1/BLZ/1	G/VAL/N/2/BLZ/1	
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	
Cape Verde	N/A			
Central African Rep.	N/A			
Chad	N/A			
Chile	N/A			
China	N/A	G/VAL/N/1/CHN/1 - 5	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	G/VAL/N/1/EGY/1	G/VAL/N/2/EGY/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
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	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	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	G/VAL/N/1/KWT/1		
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	

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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/N2/MEX/1 and Corr.1	
Moldova	N/A	G/VAL/N1/MDA/1	G/VAL/N2/MDA/1	
Mongolia	N/A			
Morocco	N/A	G/VAL/N1/MAR/1 and 2 G/VAL/N1/MAR/1/Rev.1 + Corr.1	G/VAL/N2/MAR/1 G/VAL/N2/MAR/2	
Mozambique	N/A	G/VAL/N1/MOZ/1		
Myanmar	N/A			
Namibia	N/A	G/VAL/N1/NAM/1		
Nepal	N/A			
New Zealand	G/VAL/N1/NZL/1	VAL/1/Add.12 + Suppl.1	VAL/2/Rev.1/Add.10	
Nicaragua	N/A			
Niger	N/A			
Nigeria	N/A	G/VAL/N1/NGA/1	G/VAL/N2/NGA/1	
Norway	G/VAL/N1/NOR/1	VAL/1/Add.11 + Corr.1 + Suppl. 1-2	VAL/2/Rev.1/Add.7	
Oman	N/A	G/VAL/N1/OMN/1 - 2	G/VAL/N2/OMN/1	
Pakistan	N/A	G/VAL/N1/PAK/1		
Panama	N/A	G/VAL/N1/PAN/1	G/VAL/N2/PAN/1	
Papua New Guinea	N/A			
Paraguay	N/A	G/VAL/N1/PRY/1		
Peru	N/A	G/VAL/N1/PER/1 - 3		
Philippines	N/A	G/VAL/N1/PHL/1	G/VAL/N2/PHL/1	
Qatar	N/A	G/VAL/N1/QAT/1	G/VAL/N2/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/N1/SAU/1	G/VAL/N2/SAU/1	
Senegal	N/A	G/VAL/N1/SEN/1		
Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu (Chinese Taipei)	N/A	G/VAL/N1/TPKM/1	G/VAL/N2/TPKM/1-2	
Sierra Leone	N/A			
Singapore	N/A	G/VAL/N1/SGP/1	G/VAL/N2/SGP/1	
Solomon Islands	N/A			
South Africa	N/A	VAL/1/Add.15 + Corr.1 + Suppl. 1-3 G/VAL/N1/ZAF	VAL/2/Rev.1/Add.13	
Sri Lanka	N/A			
Suriname	N/A	G/VAL/N1/SUR/1		
Swaziland	N/A	G/VAL/N1/SWZ/1	G/VAL/N2/SWZ/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
Switzerland	G/VAL/N/1/CHE/1	VAL/1/Add.5	N/A	
Tanzania	N/A	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	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		
Ukraine	N/A	G/VAL/N/1/UKR/1	G/VAL/N/2/UKR/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	
Vietnam	N/A			
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		78 ²	54	

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).