

Committee on Customs Valuation

REPORT (2003) 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 2003. 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 three formal meetings: on 28 February (G/VAL/M/34) under the Chairmanship of Mr. Raimundas Karoblis (Lithuania); on 23 May, 22 July and 6 October (G/VAL/M/35 and Add.1) under the Chairmanship of Mr. Karoblis on 23 May and Mr. Ivan Lee (Hong Kong, China) on 22 July and 6 October; and on 6 October 2003 (G/VAL/M/36) under the Chairmanship of Mr. Lee. At the 23 May meeting, the Committee elected Mr. Ivan Lee (Hong Kong, China) as Chairperson for 2003-2004.

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, 1 Member (United Arab Emirates) maintains an extension of the delay period in accordance with the provisions of paragraph 1, Annex III. One such request is 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, 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, Madagascar, and Sri Lanka).

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 individual EEC Members). 57 Members, (of which 1 has an extension and 1 has requested an extension of the Article 20.1 delay period) have not yet made any notification (See Annex).

C. ACTIVITIES OF THE COMMITTEE

7. At the meeting on 28 February 2003:

- The Committee adopted a Decision granting Sri Lanka a reservation to maintain minimum values for a further two years (G/VAL/55).

8. At the meeting on 23 May 2003 (and the resumed meetings on 22 July and 6 October when the Committee resumed discussion on the agenda item suspended from the 23 May meeting):

- The Committee concluded examination of amendments to Australia's legislation, and the legislation of Bolivia, Brunei Darussalam, China, Côte d'Ivoire, Cuba, Morocco and Slovakia. It agreed to revert to the legislation of Burkina Faso and to amendments to India's legislation at the next meeting;
- The Committee took note of the information in document G/VAL/2/Rev.16 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.5 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 agreed to grant an extension of the delay period to the United Arab Emirates (G/VAL/55) in accordance with paragraph 1 of Annex III of the Agreement;
- 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/89, and G/VAL/108, and agreed that the incoming Chair would take up the matter through consultations among the interested Members;
- 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 continued its discussion of paragraph 8.3 of the Decision on Implementation-Related Issues and Concerns and agreed to suspend consideration of this agenda item pending consultations by the incoming Chair. On 22 July and 6 October, the Committee resumed discussion of the issue. It was agreed that the Chair would continue to consult on the matter under his own responsibility.
- The Committee discussed the follow-up to the Work Programme on Technical Assistance and Capacity-Building;
- The Committee took note of the report on the on-going work of the Technical Committee;
- The Committee elected Mr. Ivan Lee (Hong Kong, China) as its new Chairperson for 2003-2004.

9. At the meeting on 6 October 2003:

- The Committee took note of the questions posed to Armenia, Burkina Faso, China, India, and Thailand and agreed to revert to the notifications of the legislation of these Members at its next meeting;

- The Committee took note of the information in document G/VAL/2/Rev.17 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.6 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 completed the Transitional Review Mechanism in accordance with Paragraph 18 of the Protocol of Accession of the People's Republic of China;
- The Committee adopted its annual report to the Council for Trade in Goods;
- The Committee agreed to revert to the item of the Fourth through Ninth (G/VAL/W/124) Annual Reviews at the Committee's meeting of autumn 2004 or earlier, if any Member changed its position on the matter;
- The Committee agreed to revert to the matter of the European Communities' valuation policies pending responses from the EC to Brazil's questions;
- The Committee reverted to the matter of paragraph 8.3 of the Doha Decision on Implementation-Related Issues and Concerns. It was agreed that the Chair would continue to consult on the matter under his own responsibility. The Committee would revert to the matter at its next formal meeting or earlier, if there were developments in Members' positions;
- The Committee agreed to revert to the question of an Article 6 Review of the PSI Agreement at its next meeting;
- Under Other Business, the United States raised questions to Mexico concerning the use of estimated prices and post-importation verification practices.

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			
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, and 3	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			

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.

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El Salvador	N/A			
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	
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	
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 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			
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	

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
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		
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			
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	

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

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
Tanzania	N/A			
Thailand	N/A	G/VAL/N/1/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			G/VAL/55
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		74 ³	55	

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