

GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

File No. DG (V)/Val.Rev/676/2016

Dated: 16th August, 2016

Order in Revision No. 232 /2016 under section 25-D of the Customs Act, 1969
against Valuation Ruling No.854/2016 dated 17-05-2016

- i. This copy is granted free of charge for the private use of the person to whom it is issued.
- ii. An appeal against this Order-in-Revision lies to the Appellate Tribunal, Customs having jurisdiction, under section 194-A of the Customs Act, 1969, within stipulated period as prescribed under the law. An appeal should bear a court fee stamp of Rs.1000/- (Rupees one thousand) only as prescribed under schedule-II item 22 of the Court Fee Act, 1870 and must be accompanied by a copy of this Order.
- iii. An extra copy of appeal, if filed, should simultaneously be sent to this office for information and record.
- iv. If an appeal is filed, the appellant should state whether he desires to be heard in person or through an advocate.

M/s. DIC Pakistan Limited.....PETITIONER

VERSUS



Director, Customs Valuation, Karachi.....RESPONDENT

Date(s) of hearing 13-07-2016 & 25-07-2016

For the Petitioners Mr. Ahmad Raza

For the Respondent Mr. Abdul Majeed, Assistant Director
Mr. Allison Stephen, Principal Appraiser

This revision petitions was filed under section 25-D of the Customs Act, 1969 against customs value determined vide Valuation Ruling No.854/2016 dated 17-05-2016 issued under section 25-A of the Customs Act, 1969.

2. We refer to the valuation ruling No. 854/2016 dated May 17, 2016 issued by Director of Valuation, in respect of the printing inks (the "Products") under Section 25A of the Customs Act, 1969 (the "Act").

3. In paragraph 3 of the valuation ruling it is mentioned that the imported inks cost of production is less as the raw material of printing ink is manufactured by themselves as one window operation therefore they offer lesser price. In fact it is the other way around DIC Corporation Japan is the largest ink manufacturer of printing inks in the world and its cost of production is one of the lowest as DIC Corporation itself produces many of the raw material used in the printing inks.

4. If we look at the percentage increase in prices of inks mentioned in the valuation ruling

the percentage increase is uneven ranging from 2% to 18% whereas in the last two valuation rulings the percentage increase was almost uniform. The increase in raw material prices is generally uniform in all the inks and hence the increase in prices should also increase in the same proportion.

5. In the valuation ruling there is mention of newspaper inks from Europe whereas there is no mention of Offset Inks imported from Europe and Malaysia whose prices are about 20% higher than the Taiwanese Offset Inks. Hence in the valuation ruling there should be mention of Europe and Malaysian offset inks rates as these are being imported in Pakistan.

6. One of the major importer / trader i.e. United Traders imports Korean brand Offset inks under the brand name of Daihan Inks Co. Ltd. If we look at its import data there has been an increase of more than 50% in the prices of Offset Inks imported by United Traders. This strongly supports our arguments that raw material prices have increased substantially which forced the major importer of Offset Inks to import with such increase in its import price.

7. In light of the above explanation we would like to challenge the ruling as the prices mentioned in the ruling are still very low and due consideration should be given to the arguments mentioned above.

8. That DIC Pakistan Limited is manufacturer of Printing Inks and in view of the above explanation, we request you to kindly review the valuation ruling No. 854/2016 under Section 25-D of the Customs Act, 1969 by your kind office.

ORDER

9. Mr. Ahmad Raza of M/s DIC Pakistan Ltd appeared. They have a unit at Lahore and Karachi. They are producing offset printing inks. They stated that yellow, magenta, cyan and black are four major colours which constitutes around 75-80% of the volume (called process colors). The others are spot colours and made from these four colours. Most stated that expensive is violet color. In the four basic colours the increase in value is around 18% whereas increase in lemon Yellow is 5%, bronze Red 2% and in other colours is between 2% to 7%. His basic argument was that if value of basic colours was increased by 18% then other colours value should also be increased by 18% at least.

10. He said that the product of Daihan Company of Korea is their competitor. His contention was that Chinese origins yellow dyes are increased by 18% whereas Korean origins were increased by 11%.

11. If these prices have been increased on the basis of raw material their prices should have been increased by equal margins in China & Korean origin. In case of Peacock colour the increase is 3% for Korea & 19% for China colour. The Peacock blue is manufactured from cyan colour which has been increased by 18% for Korea. So there is no justification for 3% increase in Peacock Blue for Korean origin. It should have been increased by 18% at least.



12. The manufacturer i.e., M/s. DIC Pakistan Ltd. were of the view that in the import database one company i.e., M/s United Traders are importing dyes on higher value. The data of May 2016 shows that the import has been made on the following values:

Colour	Value US\$ in May, 2016
Process Yellow	3.29
Process Magenta	3.53
Process Cyan	3.67
Process Black	3.01

13. Total value of these four basic colours comes to US\$ 11.16 for Korea and Taiwan, whereas in case of China the value is above 15 dollars. The value of other colours should also be increased in the same proportion. The contention of the manufacturer carries weight. The values for Korean dyes have been fixed on lower side which is affecting the local industry. The evidence of imports in Pakistan has been considered, therefore, the value of ink colours is fixed as under:



S.No.	Description	P.C.T.	Proposed PCT for WeBOC	Origin	Present Customs Values (C&F) US\$ / kg	New Customs Values (C&F) US\$ / kg
(1)	(2)	(3)	(4)	(5)	(6)	(7)
01.	Process Yellow	3215.1990	3215.1990.1000	China	2.30	2.93
02.	Process Magenta / Red	3215.1990	3215.1990.1100	China	2.73	3.21
03.	Process Cyan / Blue	3215.1990	3215.1990.1200	China	2.73	3.32
04.	Process Black	3215.1990	3215.1990.1300	China	2.25	2.64
05.	Deep / D-Yellow	3215.1990	3215.1990.1400	China	2.30	3.71
06.	Lemon / L-Yellow	3215.1990	3215.1990.1500	China	2.31	3.72
07.	Bronze Red	3215.1990	3215.1990.1600	China	2.60	4.05
08.	Deep Red	3215.1990	3215.1990.1700	China	3.21	4.12
09.	Bronze Blue	3215.1990	3215.1990.1800	China	3.25	4.15
10.	Peacock Blue	3215.1990	3215.1990.1900	China	2.80	3.50
11.	Brilliant Blue	3215.1990	3215.1990.2000	China	3.10	3.55
12.	Brilliant Green	3215.1990	3215.1990.2100	China	3.24	3.62
13.	Tint Medium / White	3215.1990	3215.1990.2200	China	2.30	2.52
14.	All Other Colours	3215.1990	3215.1990.2300	China	3.40	4.25
15.	Process Yellow	3215.1990	3215.1990.2400	Korea / Taiwan	2.58	3.29
16.	Process Magneta / Red	3215.1990	3215.1990.2500	Korea / Taiwan	3.00	3.53
17.	Process Cyan / Blue	3215.1990	3215.1990.2600	Korea / Taiwan	3.02	3.67
18.	Process Black	3215.1990	3215.1990.2700	Korea / Taiwan	2.56	3.01
19.	Deep / D-Yellow	3215.1990	3215.1990.2800	Korea / Taiwan	2.75	4.45

20.	Lemon / L-Yellow	3215.1990	3215.1990.2900	Korea / Taiwan	2.82	4.56
21.	Bronze Red	3215.1990	3215.1990.3000	Korea / Taiwan	2.90	4.54
22.	Deep Red	3215.1990	3215.1990.3100	Korea / Taiwan	3.45	4.75
23.	Bronze Blue	3215.1990	3215.1990.3200	Korea / Taiwan	3.95	4.97
24.	Peacock Blue	3215.1990	3215.1990.3300	Korea / Taiwan	3.45	4.31
25.	Brilliant Blue	3215.1990	3215.1990.3400	Korea / Taiwan	3.97	4.44
26.	Brilliant Green	3215.1990	3215.1990.3500	Korea / Taiwan	4.00	4.48
27.	Tint Medium / White	3215.1990	3215.1990.3600	Korea / Taiwan	2.60	2.85
28.	All Other Colours	3215.1990	3215.1990.3700	Korea / Taiwan	4.05	5.10
29.	Printing Ink for Newspaper Coloured (in bulk packing 25 Kg & Above)	3215.1190	3215.1190.1000	Europe	2.50	2.50
30.	Printing Ink for Newspaper Black (in bulk packing 25 Kg & Above)	3215.1190	3215.1190.1100	Europe	1.00	1.00

(Syed Tanvir Ahmad)
Director General

16/8/16

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5. Director, Customs Valuation, Karachi/Lahore.
6. Deputy Director (HQ), Directorate General of Customs Valuation, Karachi for uploading in One-Customs and WeBOC database.
7. Asstt. Director (Review), Karachi.
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