



GOVERNMENT OF PAKISTAN  
DIRECTORATE GENERAL OF CUSTOMS VALUATION  
CUSTOM HOUSE KARACHI

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The Collectors of Customs, Model Customs Collectorate, Appraisement (East / West) / Exports (Karachi/Port Qasim)/ Port Qasim / Preventive, Karachi / Lahore ( Appraisement / Preventive) / Sambrial(Sialkot) / Faisalabad / Multan / Islamabad /Hyderabad/ Quetta / Peshawar/ Gawadar/ Gilgit-Baltistan.

**DETERMINATION OF CUSTOMS VALUES OF  
POLYESTER SPUN YARN, VISCOSE SPUN YARN, ACRYLIC SPUN YARN AND THEIR  
BLENDS UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969**

(VALUATION RULING NO. 1161 / 2016)

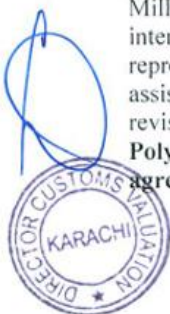
No. DG/VDB/REF/48/VAL/2016 11225

Dated: 12-05-2017

In exercise of powers conferred under Section 25-A of Customs Act, 1969 the Customs values of various counts of Polyester Spun Yarn, Viscose Spun Yarn, Acrylic Spun Yarn and their different blended yarns of China, Thailand, Indonesia, India and other origins (manufactured from polyester staple fiber and viscose staple fiber and Acrylic staple fiber respectively), had earlier been determined vide Valuation Ruling No. 983/2016 dated 28.11.2016. Since the first Valuation Ruling is formulae based and the formulae is derived after painstaking efforts with the direct stakeholders and industry experts, therefore, fresh values as per the formulae were obtained for calculation of the determined values of subject goods.

2. **Background of the Valuation Issue:** M/s APTMA (All Pakistan Textile Mills Association) vide letter No. 2017/PR/Admin/FBR/006 dated 29<sup>th</sup> March, 2017 appreciated Directorate General of Customs Valuation for determination and imposition of minimum import values of Synthetic Yarns of Viscose, Polyester and Acrylic which helped in curbing the menace of under-invoicing regarding import of subject Spun Yarn products. M/s APTMA further requested to revise the Valuation Ruling No.983/2016 dated 28.11.2016 for Polyester Spun Yarn, Viscose Spun Yarn, Acrylic Spun Yarn and their blends as the prices of raw material i-e., Polyester Staple Fiber, Viscose Staple Fiber and Acrylic Staple Fiber has gone up in the international markets. Analysis of the Pral data also showed up-word trend of declared values by the importers against the subject goods. M/s APTMA (All Pakistan Textile Mills Association) further contended to include 100 % Polyester Spun Yarns (PCT 5509.2100) in the revised Valuation Ruling of Spun Yarn. Moreover, M/s. Sana Industries Limited, Karachi, also filed a representation on 22<sup>nd</sup> March, 2017 for the revision of Valuation Ruling No. 28.11.2016 for Polyester Spun Yarn, Viscose Spun Yarn, Acrylic Spun Yarn and their blends.

3. **Stakeholders' Participation in Determination of Customs Values:** Meetings with stakeholders were held on 13.04.2017 and 20.04.2017 respectively. Representatives of M/s APTMA and M/s PYMA and other importers participated in the subject meetings. Representative of both Pakistan Yarn Merchant Association (PYMA) and representatives of All Pakistan Textile Mills Association (APTMA) acknowledged up-word price trend of raw materials in the international markets representatives. Pakistan Yarn Merchant Association (PYMA) and representatives of All Pakistan Textile Mills Association (APTMA) and their technical teams duly assisted the Directorate General and put forth in detail, their respective points of view regarding the revised import value of subject items. M/s. APTMA has officially communicated the values of Polyester Staple Fiber (PSF), Viscose Staple Fiber (VSF) and Acrylic Fiber from CCFEI as agreed.





4. It is pertinent to mention here that both PYMA and the APTMA were having different point of view regarding incorporation of 100% Polyester Spun Yarn (5509.2100) in the revised Valuation Ruling. M/s APTMA requested to include 100% Polyester Spun Yarn (5509.2100) in the revised Valuation Ruling while M/s PYMA requested not to include the same because it may cause distortion during the time of clearance owing to peculiar nature of Close Virgin 100% Polyester Spun Yarn (5509.2100). M/s APTMA vide letter PO/CHAIR-38/2017/0218 dated 11.05.2017 once again presented their plea of issuing revise Valuation Ruling of Spun Yarn including 100% Polyester Spun Yarn (PCT 5509.2100). This Directorate General followed the same formula/procedure as mutually agreed by both trade bodies i-e., M/s APTMA and M/s PYMA which was mentioned in detail in the Valuation Ruling No. 983/2016 dated 28.11.2016. Following are the relevant details required for arriving at fair customs values of Spun Yarn (Polyester, Viscose & Acrylic).

**a. That for raw material:**

-the three months import data from WeBOC shall be taken and data of identical goods shall be taken from CCFEI (China Chemical & Fiber Economic Information Network-CCFEI Website (CCFEI data being unbiased and neutral cannot be influenced by any of the stakeholders) and to take weighted averages of three months (i.e. total of value divided by total of quantity, without any out-layers). Data from WeBOC and CCFEI website is used to derive at the international raw material trading-prices of polyester staple fiber and viscose staple fiber and Acrylic staple fiber separately therefore provided the basic raw material prices. In this manner the value calculated for Polyester staple fiber is US \$ 1.02/Kg (months of February, March and April 2017). Value calculated for Viscose staple fiber is US \$ 2.06/Kg (months of February, March and April 2017). Value calculated for Acrylic staple fiber is US \$ 1.78/Kg (months of February, March and April 2017).

**b. That for determination of the conversion costs(from polyester / viscose staple fibers to subject items) for each count of polyester and viscose yarn and their blends:**

-this was most challenging. After thread barely examining each aspect of manufacturing, the agreed upon conversion-costs (for each count of polyester, viscose and blended yarns) were separately provided by the PYMA and APTMA (duly signed), keeping in view the Ring Spinning machines, Rotor Spinning Machines and Vortex/Jet Spinning machines (MJS or MVS). These conversion costs were scrutinized and adopted to derive at the determined values of subject items. Conversion cost from raw material (i.e.100% polyester and 100% viscose staple fiber) to a single count-yarn/Kg is = US \$ 0.0175/count/Kg provided below vide Table-A.

**c. The conversion cost to convert staple fiber (of polyester, viscose and Acrylic) into blended yarn:**

-the agreed upon conversion-costs (for each count of polyester, viscose and blended yarns of Ring Spinning machines, Rotor Spinning Machines and Vortex/Jet Spinning machines (MJS or MVS) were separately provided by the industry experts i.e. PYMA and APTMA (duly signed). These conversion costs were scrutinized and adopted to derive at the determined values of subject items. Conversion cost from raw material (i.e. Polyester and viscose staple fiber) to a single-count-blended-yarn/Kg is = US \$ 0.02/count/Kg provided in Table-B.



d. The conversion cost of converting staple fiber (of polyester and viscose) into double or multiple yarn of different counts that are being imported:

-agreed upon conversion-costs (for double and multiple yarn of each count of polyester, viscose and blended yarn of Ring Spinning machines, Rotor Spinning Machines and Vortex/Jet Spinning machines (MJS or MVS) were separately provided by the industry experts i.e. PYMA and APTMA (duly signed). These conversion costs were scrutinized and adopted to derive at the determined values of subject items. The additional conversion cost of converting any of the subject yarns into doubled/folded/multiple yarns of 20 count, 30, 40 and 50 counts are separately specified vide Table C below.

6. Moreover fixed CONVERSION COST TABLES (i.e. cost of energy, cost of labor, machinery-depreciation cost and machine-maintenance cost) were provided to Directorate General are as follows:-

Table A For 100% Polyester or 100% Viscose Yarn.		
(USD .0175/Count/Kg)		
Count		Conversion Cost
10		\$0.175 /KG
20		\$0.350 /KG
26		\$0.455 /KG
30		\$0.525 /KG
36		\$0.630 /KG
40		\$0.700 /KG
50		\$0.875 /KG
60		\$1.050 /KG

Table B For Blends of Polyester-Viscose & Polyester-Acrylic in any Ratio.		
(USD .02Count/Kg)		
Count		Conversion Cost
10		\$0.200 /KG
20		\$0.400 /KG
26		\$0.520 /KG
30		\$0.600 /KG
36		\$0.720 /KG
40		\$0.800 /KG
50		\$1.000 /KG
60		\$1.200 /KG

Table C Doubling Expense/Cost		
Count		Doubling Cost
20		\$0.25 /KG
30		\$0.30 /KG
40		\$0.40 /KG
50		\$0.50 /KG

Formulae for converting 100% Polyester Staple Fiber into 100% Polyester Yarn

AND

For 100% Viscose Staple Fiber into 100% viscose yarn

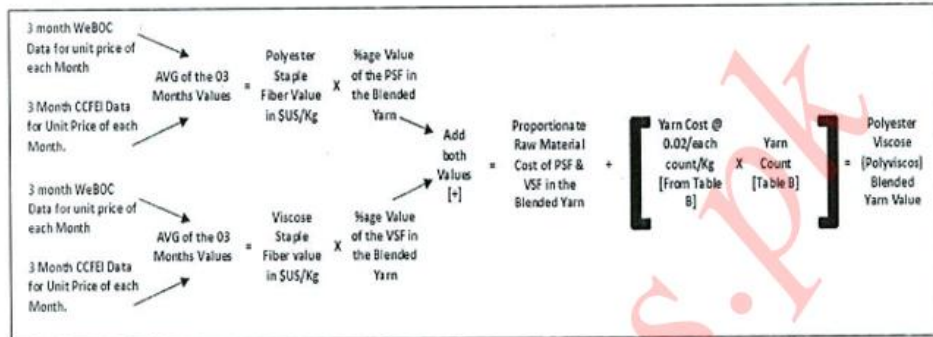
Formula A

$$\begin{array}{l}
 \left[ \begin{array}{l} \text{3 month WeBOC} \\ \text{Data for unit} \\ \text{price of each} \\ \text{Month} \end{array} \right] \rightarrow \text{Weighted} \\
 \left[ \begin{array}{l} \text{3 Month CCFEI} \\ \text{Data for Unit} \\ \text{Price of each} \\ \text{Month} \end{array} \right] \rightarrow \text{AVG of the} \\
 \hspace{10em} \text{08 months} \\
 \hspace{10em} \text{values}
 \end{array}
 = \text{Raw Material} \\
 \hspace{10em} \text{Cost in US\$ /Kg}
 + \left[ \begin{array}{l} \text{Yarn Conversion Cost @ 0.0175 / each Count / Kg} \\ \text{[Table A]} \end{array} \right] \times \begin{array}{l} \text{Yarn} \\ \text{count} \\ \text{[Table A]} \end{array} = \text{Single} \\
 \hspace{10em} \text{Yarn} \\
 \hspace{10em} \text{Value}
 \end{array}$$



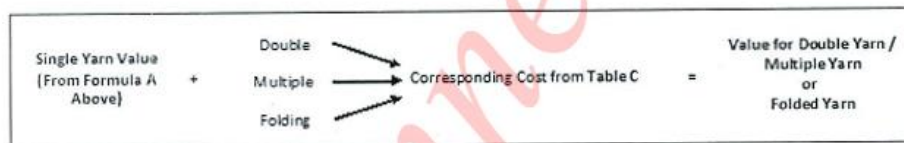
**Formulae for converting Polyester Staple Fiber and Viscose Staple Fiber into Polyester – Viscose Blended Yarns**

**Formula B**



**Formulae for converting 100% Polyester Yarn into Double / Folded / Multiple Yarn  
AND  
100% Viscose Yarn into Double / Folded / Multiple Yarn**

**Formula C**



8. **Method adopted to determine Customs values:** After detailed discussion valuation method stipulated vide Section 25 of the Custom Act, 1969 were applied to arrive at fair value of subject spun yarn types and categories. Transaction value method provided in section 25 (1) was found inapplicable because requisite information was not available as per law. Identical / similar goods value methods provided in Sec 25(5) and (6) were sequentially examined for applicability to valuation issue in instant case, the same provided some important reference values but they could not be exclusively and solely relied upon. Thereafter, market inquiry as envisaged under Section 25(7) of the Customs Act, 1969, was conducted. The prices of different types, counts etc. of Spun Yarn in open market varied significantly and were heavily depended on quality of the Yarn and location of the selling point or shops throughout the country. Hence, this tool for determining value could not be solely relied upon. Furthermore, online value was also checked. The computed value method as provided in Section 25 (8) of the custom Act, 1969 could not be applied solely either as conversion cost from constituent material at country of export were provided by industry experts and not by the manufacturing factories in China themselves. All information gathered above was utilized, evaluated and analyzed for purpose of determination of customs values. Consequently, customs values of spun yarn of Polyester, Viscose, Acrylic and their blends of different specification have been determined under section 25 (9) of the customs act 1969.

9. **Customs values for Spun Yarns (Polyester Viscose and Acrylic):** subject spun yarn of different specifications as specified herein below, the same shall be assessed for duty and taxes on the customs values specified herein are for China, Thailand, Indonesia, India and Vietnam origin and other Origins shall be assessed with a 5% (five percent) increase from the prices given in the



Description	100% Polyester Spun Yarn Ring Spun or Vortex / MJS Yarn					
Count	20	30	40	50	60	
Value	\$ 1.37	\$ 1.55	\$ 1.72	\$ 1.90	\$ 2.07	
PCT	5509.2100					
We-Boc PCT	5509.2100.1000	5509.2100.1100	5509.2100.1200	5509.2100.1300	5509.2100.1400	
Description	100% Polyester Spun Yarn (Raw White on Cones or Hanks), for 02, 03 and 04 ply					
Count	20 or 21 (2,3,4 PLY)	24 (2,3,4 PLY)	30 (2,3,4 PLY)	34 (2,3,4 PLY)	40 (2,3 PLY)	54 (2,3,4 PLY)
Value	\$ 1.62	\$ 1.69	\$ 1.85	\$ 1.96	\$ 2.12	\$ 2.51
PCT	5509.2200					
We-Boc PCT	5509.2200.1000	5509.2200.1100	5509.2200.1200	5509.2200.1300	5509.2200.1500	5509.2200.1600
Description	80% Polyester 20% Viscose Blended Yarn Ring, Rotor or MVS Yarn					
Count	20	30	40	50	60	
Value	\$ 1.63	\$ 1.83	\$ 2.03	\$ 2.23	\$ 2.43	
PCT	5509.5100					
We-Boc PCT	5509.5100.1000	5509.5100.1100	5509.5100.1200	5509.5100.1300	5509.5100.1400	
Description	70% Polyester 30% Viscose Blended Yarn Ring, Rotor or MVS Yarn					
Count	20	30	40	50	60	
Value	\$ 1.73	\$ 1.93	\$ 2.13	2.33	\$ 2.53	
PCT	5509.5100					
We-Boc PCT	5509.5100.1500	5509.5100.1600	5509.5100.1700	5509.5100.1800	5509.5100.1900	
Description	65% Polyester 35% Viscose Blended Yarn Ring, Rotor or MVS Yarn					
Count	20	30	40	50	60	
Value	\$ 1.78	\$ 1.98	\$ 2.18	\$ 2.38	\$ 2.58	
PCT	5509.5100					
We-Boc PCT	5509.5100.2000	5509.5100.2100	5509.5100.2200	5509.5100.2300	5509.5100.2400	
Description	50% Polyester 50% Viscose Blended Yarn Ring, Rotor or MVS Yarn (Viscose-polyester (VP) & Polyester-viscose (PV))					
Count	20	30	40	50	60	
Value	\$ 1.94	\$ 2.14	\$ 2.34	\$ 2.54	\$ 2.74	
PCT	5509.5100					
We-Boc PCT	5509.5100.2500	5509.5100.2600	5509.5100.2700	5509.5100.2800	5509.5100.2900	
Description	30% Polyester 70% Viscose Blended Yarn Ring, Rotor or MVS Yarn					
Count	20	30	40	50	60	
Value	\$ 2.15	\$ 2.35	\$ 2.55	\$ 2.75	\$ 2.95	
PCT	5509.5100					
We-Boc PCT	5509.5100.3000	5509.5100.3100	5509.5100.3200	5509.5100.3300	5509.5100.3400	
Description	20% Polyester 80% Viscose Blended Yarn Ring, Rotor or MVS Yarn					
Count	20	30	40	50	60	
Value	\$ 2.25	\$ 2.45	\$ 2.65	\$ 2.85	\$ 3.05	





PCT	5509.5100				
We-Boc PCT	5509.5100.300 0	5509.5100.3100	5509.5100.3200	5509.5100.3300	5509.5100.3400
Description	35% Polyester 65% Viscose Blended Yarn Ring, Rotor or MVS Yarn				
Count	20	30	40	50	60
Value	\$ 2.10	\$ 2.30	\$ 2.50	\$ 2.70	\$ 2.90
PCT	5509.5100				
We-Boc PCT	5509.5100.300 0	5509.5100.3100	5509.5100.3200	5509.5100.3300	5509.5100.3400
Description	100% Viscose Spun Yarn Ring Spun, Rotor or Vortex Spun				
Count	20	30	36	40	52
Value	\$ 2.41	\$ 2.59	\$ 2.69	\$ 2.76	\$ 2.97
PCT	5510.1100				
We-Boc PCT	5510.1100.100 0	5510.1100.11 00	5510.1100.1 200	5510.1100.1 300	5510.1100.140 0
Description	100% Viscose Spun Yarn Ring Spun, Rotor or Vortex Spun (02 ply)				
Count	20/2	30/2	40/2	50/2	60/2
Value	\$ 2.66	\$ 2.88	\$ 3.16	\$ 3.31	\$ 3.71
PCT	5510.1200				
We-Boc PCT	5510.1200.100 0	5510.1200.1100	5510.1200.1200	5510.1200.1300	5510.1200.1400
Description	70% Polyester 30% Acrylic Blended Yarn Ring, Rotor or MVS Yarn				
Count	20	30	40	50	60
Value	\$ 1.65	\$ 1.85	\$ 2.05	\$ 2.25	\$ 2.45
PCT	5509.5100				
We-Boc PCT	5509.5100.1000	5509.5100.110 0	5509.5100.1200	5509.5100.1300	5509.5100.1400
Description	30% Polyester 70% Acrylic Blended Yarn Ring, Rotor or MVS Yarn				
Count	20	30	40	50	60
Value	\$ 1.95	\$ 2.15	\$ 2.35	\$ 2.55	\$ 2.75
PCT	5509.5100				
We-Boc PCT	5509.5100.1000	5509.5100.110 0	5509.5100.1200	5509.5100.1300	5509.5100.1400
Description	50% Polyester 50% Acrylic Blended Yarn Ring, Rotor or MVS Yarn				
Count	20	30	40	50	60
Value	\$ 1.80	\$ 2.00	\$ 2.20	\$ 2.40	\$ 2.60
PCT	5509.5100				
We-Boc PCT	5509.5100.1000	5509.5100.110 0	5509.5100.1200	5509.5100.1300	5509.5100.1400

10. In cases where declared/ transaction values are higher than the Customs values determined in this Ruling, the assessing officers shall apply those values in terms of Sub-Section (1) of Section 25 of the Customs Act, 1969. In case of consignments imported by air, the assessing officer shall take into account the differential between air freight and sea freight while applying the Customs values determined in this Ruling. Clearance Collectorates are requested to be vigilant during assessment and examination, with special emphasis on count, description and specification of yarn imported.

11. **Validity of this Valuation Ruling:** The values determined vide this Ruling shall be the applicable Customs value for assessment of subject imported goods until and unless it is rescinded



or revised by the competent authority in terms of Section 25-A of the Customs Act, 1969. In case the imported spun yarn does not fall under any

12. **Revision of the value determined vide this Valuation Ruling:** A revision petition may be filed against this Ruling, as provided under Section 25-D of the Customs Act, 1969, within 30 days from the date of issue of this ruling, before the Director General, Directorate General of Customs Valuation, 7<sup>th</sup> Floor, Custom House, Karachi.

13. The Collectors of Customs may kindly ensure that the values given in the Ruling for the given description of goods are applied by the concerned staff without fail. Any anomaly observed may kindly be brought to the notice of Directorate General immediately. Customs values determined in the ruling are for the description and specification as mentioned herein. PCT Codes are mentioned for illustrative purpose so that valuation ruling values are made accessible to the assessing officer. The assessment shall be finalized on the basis of correct classification after fulfilling requisite formalities related to importability or any other certification required thereon. In addition to this, it is further necessary to verify that there is no mis-declaration of any sort or violation of Import Policy Order or Section 15 and 16 of the Customs Act, 1969 or any other law in vogue therein.

(Dr. Wasif Ali Memon)  
Director

Copy for information to:

1. Member (Customs), F.B.R., Islamabad.
2. Director General, Customs Valuation, Custom House, Karachi.
3. Chief Collector of Customs, South (Appraisement), Custom House, Karachi.
4. Chief Collector of Customs, South (Enforcement), Custom House, Karachi.
5. Chief Collector of Customs (Central), Lahore.
6. Chief Collector of Customs (North), Islamabad.
7. Director General, Intelligence and Investigation-FBR, Islamabad.
8. Director General, Audit (Customs & Petroleum), 1<sup>st</sup> Floor, PT&T Audit Building, Mauj-e-Darya Road, Lahore.
09. Director General, Post Clearance Audit (PCA), Islamabad.
10. Director General, Internal Audit (Customs), Karachi.
11. Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad/ Quetta Peshawar/ Faisalabad.
12. Director, Directorate of Customs Valuation (Camp Office), Lahore.
13. Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WeBOC database system and deleting Valuation Ruling No.817/2016, dated 02-03-2016 from the system on the date of issue of this ruling.
14. Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
15. Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta & Peshawar.
16. Law Section, Customs Valuation, 7<sup>th</sup> Floor, Custom House, Karachi.
17. Review Section, Customs Valuation, 7<sup>th</sup> Floor, Custom House, Karachi.
18. Karachi Customs Agents Group, Bohri Road, Karachi.
19. CHO, Customs Valuation, Custom House, Karachi.
20. Notice Board, Customs Valuation 7<sup>th</sup> Floor, Custom House, Karachi / MCC, Appraisement, 1<sup>st</sup> Floor, Custom House, Karachi.
21. Guard File.