

GOVERNMENT OF PAKISTAN
APPRAISEMENT COLLECTORATE
CUSTOM HOUSE KARACHI

No. CC-29/05 (A)

July 6, 2005

PUBLIC NOTICE 07 /05-APPG.

Subject: CLASSIFICATION OF ENERGY DRINKS UNDER THE BRANDS "RED BULL" "BLUE OX" AND SMILAR PREPARATIONS.

The classification of energy drinks came-up on discussion in PCT committee. The composition of the "Red Bull" brand and "Blue OX" brand energy drinks printed on the tins is as under:-

i. Red Bull.

water, sucrose, glucose, acidifier sodium citrates, carbon dioxide, taurine (0.4%) gulcoronolactone (0.24%) caffeine (0.30%), inositol, vitamins (niacin panthothenic acid, B6, B12), flavours, colors (caramel, riboflavin).

ii. Blue OX.

carbonated water, sucrose, taurine 0.40%, dextrose, acidifier, citric acid, caffeine 0.03%, flavours, ginsengextract 0.01%, inositol, vitamins (niacin, pantothenic acid B6, B12), color E133.

2. Following headings were deliberated for classification by participants of the meeting:-

- i. 2106.9090
- ii. 2202.1010
- iii. 2202.1090
- iv. 2202.9000

One of the importers stated that above referred drinks were being regularly released under heading 2106.9090 as food preparation. Therefore, such goods should continue to be classified in this heading. On the other side, it was contended that the goods are not food preparations of heading 21.06 and that the same constitute "beverage" and attract classification under heading 22.02 being sweetened / flavored. Furthermore single dash heading, covering sub-head 1010 and 1090 of heading 22.02, was referred for correct classification, as reproduced below:-

"water, including mineral waters and aerated waters, containing added sugar or other sweetening matter or flavoured"

It was contended that the above description clearly indicates that waters including mineral waters and aerated waters, falling in said heading, may contain:

- or i. sugar
- or ii. sweetening matter
- or iii. flavoured.

Since impugned products contained sweetening matter and flavours, therefore these do not qualify above description and therefore fall out-side the ambit of sub-head 1010 and 1090 of heading 22.02 and that these products are correctly classifiable under heading 2202.9000.

3. Group staff explained that dictionaries define "beverage" as any liquid for drinking esp. other than water. Imported goods, being a preparation for drinking, as such constitute "beverage".

4. Issue was examined by the committee:-

- i. H.S. heading 22.02 has been sub-divided into two sub-heads. Sub-heading 1000 of heading 22.02 covers "water, including mineral waters and aerated waters, containing added sugar or other sweetening matter or flavoured, whereas sub-head 9000 of heading 22.02 covers other non-alcoholic beverages. At para (B) of Explanatory Notes to heading 22.02, examples of non-alcoholic beverages have been given such as tamarind nectar, rendered ready for consumption as beverage and beverage with a basis of milk and cocoa. Plain reading of para (A) of Explanatory Notes to PCT heading 22.02 deals with non-alcoholic beverages containing water, including mineral waters and aerated waters, containing added sugar or other sweetening matter or flavoured. Composition of goods, in question, complies with the description given in para (A) of the Explanatory Notes to PCT heading 22.02. As such referred energy drinks attract classification under sub-head 1000 of heading 22.02.

ii. At para (A) of Explanatory Notes to HS 22.02, it has been mentioned that beverage may be added with sugar or sweetened or flavoured with fruit juices, essences or compound extract to which citric acid or tartaric acid are sometimes added. Thus the argument of the importers, that the beverage may contain only one ingredient i.e. sugar or sweetening matter or flavours has, no force.

5. In the light of Explanatory Notes, the committee unanimously concluded that referred energy drinks are classifiable under sub-head 1000 of heading 22.02. At eight digit sub-heading level, impugned products attract classification under heading 2202.1010, being aerated and accordingly approved classification under heading 2202.1010.

6. It is circulated for information of all concerned that henceforth classification of "Red Bull" and Blue OX" brand energy drinks and similar other energy drinks shall be made under heading 2202.1010 of the Pakistan Customs Tariff.


(Azhar Majeed Khalid)
Collector