

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

Determination of Customs Values of Chemicals, Methylene Chloride, Propylene Glycol, Sodium Bi Carbonate, Mono Sodium Glutamate, Calcium Acetate, Calcium Propionate and Terpeneol Under Section 25-A of the Customs Act, 1969.

No. Misc./14/2007-II /2106

Dated: November 10, 2017

(VALUATION RULING NO. 1221 / 2017)


In exercise of powers conferred under Section 25-A of the Customs Act, 1969, Customs values of Chemicals namely Methylene Chloride, Propylene Glycol, Sodium Bi Carbonate, Mono Sodium Glutamate, Calcium Acetate, Calcium propionate and Terpeneol are determined as follows:

2. **Background of the valuation issue:** Earlier the customs values of the subject chemicals were determined vide Valuation Ruling No 1044/2017 dated 14.02.2017. A V.D.B. No. 185 dated 08.02.2017 was also issued. There were several representations from commercial importers as well as from Pakistan Chemicals and Dyes Merchants Association (PCDMA) wherein they claimed that value of the subject chemicals needs to be realigned with international values. They requested to determine the applicable customs values afresh in accordance with the trend of values in the international markets. Keeping in view the prevailing prices of the subject goods, this Directorate General initiated an exercise for determination of the Customs Values of the subject Chemicals in terms of Section 25-A of the Customs Act, 1969.

3. **Stakeholders participation in determination of Customs values:** Meetings with stakeholders including importers, representatives from Pakistan Chemicals and Dyes Merchants Association (PCDMA) and representatives from field formations were held on 12.10.2017 and 26.10.2017, to discuss the current international prices of the subject chemicals. The stakeholders requested that the said valuation ruling may be reviewed in the light of prevailing international market prices. The view point of all participants was heard in detail and considered to arrive at Customs values of the subject chemicals. The PCDMA contended that their proposition of values for different types of chemicals accurately reflects international values and they take full responsibility for any variations. As and when there are significant variations, they would themselves approach customs authorities for re-determination of customs values. Market surveys as enumerated below, gave results very akin to the propositions of the PCDMA.

4. **Method adopted to determine Customs values:** Valuation methods provided in Section 25 of the Customs Act, 1969 were duly applied in their regular sequential order to arrive at customs values of subject goods. The transaction value method provided in Sub-Section (1) of Section 25, was found inapplicable because there was wide differences in the declarations. Identical / similar goods value method provided in Sub-Sections (5) & (6) of Section 25 ibid were examined for applicability to the valuation issue in the instant case which provided some reference values of the subject goods, but the same could not be exclusively relied on due to the absence of absolute demonstrable evidence of qualities, and quantities of commercial level etc., and also it was observed that some importers provided misleading description while declaring goods, as other grades and percentage of purity of similar goods to avoid the application of valuation ruling. Information available was, hence, found inappropriate. In line with the statutory sequential order of Section 25, this office then conducted market inquiries using Deductive Value Method under Sub-Section (7) of the Section 25 of the Customs Act, 1969 and determined customs values of Methylene Chloride, Propylene Glycol, Sodium Bi Carbonate, Mono Sodium Glutamate, Calcium Acetate, Calcium Propionate and Terpeneol.

5. **Customs values for Methylene Chloride, Propylene Glycol, Sodium Bi Carbonate, Mono Sodium Glutamate, Calcium Acetate, Calcium propionate and Terpeneol:** The Chemicals hereinafter specified shall be assessed to duty / taxes at the following Customs Values :



(1)	Description of goods	Origin	PCT	Proposed PCT for WEOC	Customs Values (C&F) US\$/Kg
(1)	(2)	(3)	(4)	(5)	(6)
1	Methylene Chloride	Europe	2903.1200	2903.1200.1000	0.70
		All other origins	2903.1200	2903.1200.1200	0.64
2	Propylene Glycol (Pharma Grade)	Korea	2905.3200	2905.3200.1000	1.55
		Germany/ France	2905.3200	2905.3200.1100	1.60
		U. S. A	2905.3200	2905.3200.1200	1.60
		Singapore	2905.3200	2905.3200.1300	1.55
		China	2905.3200	2905.3200.1400	1.45
		South Africa	2905.3200	2905.3200.1500	1.50
		Thai land	2905.3200	2905.3200.1600	1.55
		All other origins	2905.3200	2905.3200.1700	1.60

