

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

Determination of Customs Value of Ginger and Garlic under Section 25-A of the Customs Act, 1969.

(VALUATION RULING NO. ¹³⁹⁰ / 2019)

No. Misc/14/2013-I/ ²⁴⁰⁸

Dated: September, 24, 2019

In exercise of powers conferred under Section 25-A of the Customs Act 1969, customs values of Ginger and Garlic are determined as follows:

2. **Background of the valuation issue:** Earlier the customs values of Fresh / Dry Ginger and Garlic were determined vide Valuation Ruling No. 1339/2018 dated 26-10-2018. The analysis of import data viz-a-viz declared values of subject goods showed upward trend in international prices. Moreover, All Pakistan Fresh Ginger & Garlic Importers & Whole Sellers Association as well as a number of importers filed representations for revision of the ruling to bring the values in line with the prevailing prices in the international market. Keeping in view the above, this Directorate General initiated an exercise for re-determination of the Customs Values of the Fresh/Dry Ginger and Garlic in terms of Section 25-A of the Customs Act, 1969.

3. **Stakeholders' participation in determination of Customs values:** Meeting was held with the stakeholders on 11-09-2019 in this Directorate General. The importers / stakeholders were requested to submit following documents before or during the course of meeting so that customs values could be determined:

Invoices of imports during last three months showing factual value.

Websites, names and E-mail addresses of known foreign manufacturers of the item in question through which the actual current value can be ascertained.

iii. Copies of Contracts made / LCs opened during the last three months showing the value of item in question.

iv. Copies of Sales Tax Invoices issued during last four months showing the difference in price (excluding duty and taxes) to substantiate their contention.

The participants contended during the meeting that the values of the subject goods in the international market have shown upward trend. The stakeholders also produced documents like Goods Declarations, Contract etc. wherein values are higher than those given in previous VR had been declared by many importers to substantiate their view point that prices in international markets have raised substantially. The view point of all stakeholders/participants was considered before arriving at customs values of Fresh/Dry Ginger and Garlic.

4. **Method Adopted to Determine Customs Values:** Valuation methods provided in Section 25 of the Customs Act, 1969 were duly applied in their sequential order to arrive at customs values of subject goods. The transaction value method as provided in Sub-Section (1) of Section 25 of the Customs Act, 1969 was found inapplicable due to wide variations in declarations and incomplete description of specifications. Hence requisite information required under law was not available to arrive at the transaction value. Identical / similar goods value methods provided in Sub-Section (5) & (6) of Section 25 of the Customs Act, 1969 provided some reference values but due to wide variations in the declarations, the same could not be relied upon exclusively.



Thereafter, market enquiries as envisaged under Section 25(7) of the Customs Act, 1969, were conducted. The computed value method as provided in Section 25(8) of the Customs Act, 1969, could not be applied as the amount of profit and general expenses under clause(b) of Section 25(8) of the Act, in the country of export could not be ascertained. Online values of subject goods were also obtained. (All Pakistan Ginger & Garlic Importers & Whole Sellers Association recommended values of fresh Ginger of Chinese origin to be between US\$ 0.975/Kg to US\$ 1.025/Kg and that of Indonesian origin to be US\$ 0.875/Kg to US\$ 0.90/Kg and fresh Garlic of Chinese origin to be as in between US\$ 0.95/Kg to US\$ 1.0/Kg, which were taken into account for valuation purposes). All information so gathered was evaluated and analyzed for the purpose of determination of customs values. Consequently, keeping all the factors in mind, the customs values have been *determined* under section 25 (9) of the Customs Act, 1969.

5. **Customs values for Ginger and Garlic:** Fresh/Dry Ginger and Garlic *hereinafter specified* shall be assessed to duty / taxes at the following Customs Values:

S. No.	Description of goods	PCT	Proposed PCT for WEOC	Origin	Customs Values (C&F) US\$/Kg
(1)	(2)	(3)	(4)	(5)	(6)
1.	Fresh Ginger	0910.1100 0910.1200	0910.1100.1000	China	1.11
			0910.1200.1000		
			0910.1100.1100 0910.1200.1100	Indonesia Vietnam Myanmar	0.90
			0910.1100.1200 0910.1200.1200	India via Land route	0.89
2.	Dry Ginger	0910.1100 0910.1200	0910.1100.1300 0910.1200.1300	Thailand	0.70
			0910.1100.1400 0910.1200.1400	China	2.25
			0910.1100.1500 0910.1200.1500	Indonesia Vietnam, Nigeria, Myanmar, India	2.14
3.	Fresh Garlic	0703.2000	0703.2000.1000	China	1.00
			0703.2000.1100	India via Land route	0.87
			0703.2000.1200	India via Sea route	1.14
4.	Dehydrate Garlic Flakes	0712.9000	0712.9000.1000	India via Land route	3.41
			0712.9000.1000	China	4.78


6. 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 and the same may be communicated to this Directorate General forthwith. In case of consignments imported by air, the assessing officer shall take into account the element of air freight while assessing the goods.

7. **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 Sub-Sections (1) or (3) of Section 25-A of the Customs Act, 1969.

8. **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, 7th Floor, Custom House, Karachi.

9. The Collectors of Customs may kindly ensure that the values given in this Valuation 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 this Directorate General immediately. Customs values determined in the ruling are for the description and specification as mentioned in the Annexure to this Valuation Ruling. HS Codes are mentioned for illustrative purposes so that valuation ruling values are made accessible to the assessing officers. 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 of the Customs Act, 1969 or any other law in vogue therein.

10. *This ruling supersedes Valuation Ruling No. 1339/2018 dated 26-10-2018.*


(Shafique Ahmed Latki)
Director

Copy for information to:

1. The Member (Customs, Operations), F.B.R., Islamabad.
2. The Director General, Customs Valuation, Custom House, Karachi.
3. The Chief Collector of Customs, South (Appraisalment), Custom House, Karachi.
4. The Chief Collector of Customs, South (Enforcement), Custom House, Karachi.
5. The Chief Collector of Customs (Central), Lahore.
6. The Chief Collector of Customs (North), Islamabad.
7. The Chief Collector of Customs, (Enforcement), Custom House, Quetta.
8. The Director General, Intelligence and Investigation-FBR, Islamabad.
9. The Director General, Audit (Customs & Petroleum), 1st Floor, PT&T Audit Building, Mauj-e-Darya Road, Lahore.
10. The Director General, Post Clearance Audit (PCA), Islamabad.
11. The Director General, Internal Audit (Customs), Karachi.
12. The Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad/ Quetta/Peshawar/ Faisalabad.
13. The Director, Directorate of Customs Valuation (Camp Office), Lahore.
14. The Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WeBOC database system.
15. The Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
16. The Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta & Peshawar.
17. The Review Section, Customs Valuation, 7th Floor, Custom House, Karachi.
18. The Karachi Customs Agents Group, Bohri Road, Karachi.
19. Notice Board, Customs Valuation 7th Floor, Custom House, Karachi.
20. The Webmaster, Federal Board of Revenue, Islamabad.
21. Guard File.