



GOVERNMENT OF PAKISTAN  
DIRECTORATE GENERAL OF CUSTOMS VALUATION  
CUSTOM HOUSE KARACHI

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

**Determination of Customs Values of Polyester Spun Yarn, Viscose Spun Yarn, Acrylic Spun Yarn and Blends thereof, Under Section 25-A of the Customs Act, 1969**

(VALUATION RULING NO. 1431 / 2019)

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

2670

Dated: 3-12-2019

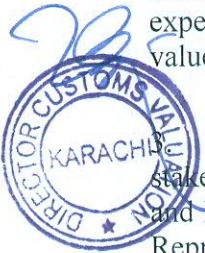
In exercise of the powers conferred under Section 25A of the Customs Act, 1969, custom values of Polyester Spun Yarn, Viscose Spun Yarn, Acrylic Spun Yarn and blends thereof, are determined as follows:

2. **Background of the Valuation Issue:** Earlier the Customs values of Polyester Spun Yarn, Viscose Spun Yarn, Acrylic Spun Yarn and blends thereof were determined vide Valuation Ruling No.1276 dated 28.03.2018. There was a representation from Pakistan Yarn Manufacture Association (Pakistan), wherein they contended that value of subject item needs to be aligned with international values. They requested to determine the applicable custom values in accordance with the trend of values in the international market. Keeping in view the prevailing prices of the subject goods, this Directorate General initiated an exercise for determination of the Customs Values in terms of Section 25-A of the Customs Act, 1969. Since the existing Valuation Ruling is formulae based and the formulae have been determined with the participation of stakeholders and industry experts, therefore, fresh values as per the formulae were obtained for calculation and determined of values of subject goods.

**Stakeholders' Participation in Determination of Customs Values:** Meetings with stakeholders held with Representatives of M/s All Pakistan Textile Mills Association (APTMA) and M/s Pakistan Yarn Merchants Association (PYMA), both participated in the subject meetings. Representative of both Associations acknowledged downward price trend of raw materials in the international markets. M/s PYMA vide letter No. Ref. 34/19/31 dated 02<sup>nd</sup> October, 2019 communicated the values of Polyester Staple Fiber (PSF), Viscose Staple Fiber (VSF) and Acrylic Fiber obtained from CCFEI website. The Directorate General Customs Valuation followed the formula/procedure as mutually agreed by both trade bodies i-e., M/s APTMA and M/s PYMA which were determined while issuing VR 1276/2018 and are mentioned below. Following are the relevant details required for determination of Customs Values of Spun Yarn (Polyester, Viscose & Acrylic) and blend thereof.

**a. That for raw material:**

Two months import data from WeBOC is taken and data of identical goods is 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 two months (i.e. total of value divided by total of quantity, without any outliers). Data from WeBOC and CCFEI website is used to ascertain the international raw material trading-prices of polyester staple fiber, viscose staple fiber and acrylic staple fiber separately. In this manner the value



calculated for Polyester staple fiber is US \$ 0.96/Kg (months of August and September, 2019). Value calculated for Viscose staple fiber is US \$ 1.55/Kg (months of August and September, 2019). Value calculated for Acrylic staple fiber is US \$ 1.90/Kg (months of August and September, 2019).

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

After detailed examination of 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), keeping in view the Ring Spinning machines, Rotor Spinning Machines and Vortex/Jet Spinning machines (MJS or MVS). These conversion costs were adopted to 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. These conversion costs were adopted to determine 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. These conversion costs were adopted to arrive at the 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.

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



Table A		For 100% Polyester or 100% Viscose Yarn.	
		(US\$ .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.	
		(US\$ .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

