

**The Collector of Customs**, Collectorate of Customs (Appraisement -West / Appraisement -East / Appraisement - Port Muhammad Bin Qasim / Enforcement / JIAP), Karachi /Hyderabad / (Appraisement / Enforcement),Quetta / Gawadar / (Appraisement / Enforcement / AIIA), Lahore / Appraisement, Faisalabad / Appraisement, Sambrial (Sialkot) / Enforcement, Multan / Islamabad / Gilgit-Baltistan / (Appraisement / Enforcement),Peshawar / Enforcement, Dera Ismail Khan / Exports (Port Qasim / Custom House Karachi) / Transit Trade, Karachi.

**DETERMINATION OF CUSTOMS VALUES OF HOT MELT ADHESIVE GLUE STICK / GRANULES/ CHIPS/ PELLETS/ SOLID/ OTHER FORMS UNDER SECTION 25A OF THE CUSTOMS ACT, 1969**

(VALUATION RULING NO. 1571/ 2021)

C. No. Reg. Misc/12/2015-II/979.

Dated: 26-11-2021



In exercise of the powers conferred under Section 25A of the Customs Act, 1969, the Customs values of Hot Melt Adhesive, Glue Stick / Granules/ Chips/ Pellets/ Solid / Other forms under PCT code 3506.9190 are determined as follows:

2. **Background of the valuation issue:** Earlier, the Customs values of Hot Melt Adhesive Glue Stick / Granules/ Chips and Pellets were determined under section 25A of the Customs Act, 1969 vide Valuation Ruling No. 1027/2017 dated 02-02-2021. Several representations were received from various importers regarding re-determination of customs values, being old and keeping in view change in market prices including the freight factor. The Director General Customs Valuation, Karachi, vide letter No. DG(V)Misc/05/2021/579 dated 13-08-2021 also directed to re-determine the customs value of Hot melt Adhesive. In view of the foregoing, a fresh exercise was conducted for determination of Customs values of the subject goods in terms of Section 25A of the Customs Act, 1969.

3. **Stakeholders' participation in determination of values:** Meetings were held on 02.03.2021, 17.03.2021 and 13.09.2021 which were attended by different stakeholders. The participants were requested to submit following documents before or during the course of meeting so that customs values could be determined: -

- i. Invoices of imports during last three months showing customs value.
- ii. 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 the last four months showing the difference in price (excluding duty and taxes) to substantiate their contentions.

During the meetings, stakeholders were of the view that the values of the subject goods in the existing Valuation Ruling are old and needs to be revised. They contended that the values of

the goods are on a downward trend and a fresh Valuation Ruling may be issued accordingly. In addition thereto, the importers requested to cover hot melt adhesive in solid form under the scope of VR. The importers were requested to submit the relevant documents in order to substantiate their contentions.

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 as provided in Sub-Section (1) of Section 25 of the Customs Act, 1969, was found inapplicable because requisite information was not available as per law. The wide variation of values displayed in the import data as available on record also strengthened the aforementioned fact. Hence requisite information under law was not available to arrive at the transaction value. Therefore, identical / similar goods value methods as provided in Sub-Sections (5) & (6) of Section 25 ibid were examined for applicability to the valuation issue in the instant case. The same provided some reference values but could not be exclusively and solely relied upon. In line with the statutory sequential order of Section 25, this office conducted market inquiries under sub-Section (7) of section 25 of the Customs Act, 1969, however, this method of valuation could not be exclusively relied upon. Therefore, valuation method vide Section 25(8) was examined for valuation but the same also could not be applied as conversion cost from the constituent material and allied expenses, at the country of export were not available for manufacturing of the subject goods. Finally, clearance data, market information and international prices through internet were examined thoroughly and the information so gathered were utilized and analyzed for determination of customs values of the subject goods under Section 25 (9) of the Customs Act, 1969.

5. **Customs values for Hot Melt Adhesive (Glue Stick / Granules/ Chips/ Pellets/ Solid and other forms), hereinafter specified** shall be assessed to duty/taxes on the minimum Customs values as under:

Sr. No.	Description	PCT code	Proposed PCT for WeBOC	Origin	Customs Values C&F (US\$/Kg)
1	Hot melt Adhesive (Glue Stick)	3506.9190	3506.9190.1000	All Origins	2.86
2	Hot melt Adhesive (Granules/Chips and Pellets)	3506.9190	3506.9190.1100	China, UAE, Saudia Arabia, Indonesia, Malaysia, Thailand	3.50
			3506.9190.1200	Japan, Europe, USA, Canada	4.37
			3506.9190.1300	Other Origins	3.90
3	Hot melt Adhesive (Solid & other forms)	3506.9190	3506.9190.1400	China, UAE, Saudia Arabia, Indonesia, Malaysia, Thailand	2.76
			3506.9190.1500	Japan, Europe, USA, Canada	3.45
			3506.9190.1600	Other Origins	3.10

