

C. No. Misc/01/2009-VI/761

Dated: 14 -07-2025

PUBLICATION VALUATION RULING NO. 62 / 2025

1. This Ruling shall be applicable until the same is rescinded or revised in terms of sub-section (4) of Section 25A of the Customs Act, 1969.
2. The revision petition against this Valuation Ruling can be filed under Section 25D of the Customs Act, 1969, within 30 days before the Director General, Customs Valuation.
3. The values in valuation ruling shall be treated as minimum benchmark values and shall be applicable to the given description and specification of goods.

Subject: **DETERMINATION OF CUSTOMS VALUE OF CARBON STEEL SEAMLESS PIPES UNDER SECTION 25A OF THE CUSTOMS ACT, 1969.**

1.	Valuation Ruling	This Publication Valuation Ruling (PVR) supersedes PVR No. 55/2025 dated 18.02.2025.
2.	Date of meetings with stakeholders	The meetings with relevant stakeholders were conducted on 08.04.2025 and 10.06.2025.

Background of the Issue: The customs value of Carbon Steel Seamless Pipes was determined vide Publication Valuation Ruling No. 55/2025 dated 18.02.2025. Subsequently, the stakeholders submitted a representation before the Director, contending that the fabrication cost calculated by the Directorate was on the higher side and requested that the matter be reconsidered. In response, the Directorate initiated an exercise to re-determine the customs values of the aforementioned items under Section 25A of the Customs Act, 1969. Accordingly, a meeting with stakeholders was convened on 06.05.2025 to deliberate on the issue.

2. **Stakeholders' participation in determination of Customs Values:** The importers contended that the conversion cost calculated by the Directorate is unrealistic and on much higher side. According to them, the actual conversion cost of Seamless Pipes from Billets cannot be more than US\$ 300/-. Therefore, they requested that the Directorate may reconsider the conversion cost and redetermine the existing publication valuation ruling in light of the prevailing dynamics.

3. **Analysis for determination of customs values of Carbon Steel Seamless Pipes:** The Directorate has reexamined the conversion cost in the light of documents submitted by the importers as well as information available on websites regarding manufacturing process of said items. It has been observed that Seamless Pipe is manufactured by piercing a hot, solid steel billet and then shaping it into a hollow tube through a series of rolling and drawing operations. After examining the manufacturing process, the Directorate has observed that the conversion cost needs to be revised downward.

4. **Method(s) adopted to determine Customs values:** Valuation methods, provided in Section 25 of the Customs Act, 1969, were applied in sequential order. The



transaction value method as provided in sub-section (1) of Section 25 of the Customs Act, 1969, was found inapplicable as declared values do not correspond to market prices. The values of identical and similar goods as per sections 25 (5) & (6) ibid could not be solely relied upon due to absence of absolute demonstrable evidence of qualities and quantities of commercial level etc. 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, but could yield no results as prices varied significantly. The values were worked out by applying the methodology under section 25(8) of the Customs Act, 1969, after taking LMB prices of the main constituent materials with value addition on account of conversion cost and freight. Finally, online information as well as values from internationally acclaimed publications i.e. LMB etc. under proviso of sub-section (1) of Section 25A of the Customs Act, 1969 and cost of fabrication so gathered have been utilized and analyzed for determination of custom values of the subject goods under Section 25(8) of the Customs Act, 1969 which are as under:

5. **Customs values for Carbon Steel Seamless Pipes, Assorted Sizes hereinafter specified** shall be assessed to duty/taxes at the following minimum Customs values: -

S. No.	Description of Goods	PCT	Proposed PCT for WeBOC	Origin	Customs Values (C&F) US\$ Per Ton
1	2	3	4	5	6
1.	Carbon Steel Seamless Pipes (Assorted Sizes)	7304.3900	7304.3900.1000	All Origins	LME price of Steel Billet plus US\$ 400/- as fabrication cost plus US\$ 60/- on account of freight.
Note: Freight on account of break bulk and Land route shall be charged at actual, instead of US\$ 60/MT as determined at column No. 6 of the above table.					

6. The values determined in this Valuation Ruling shall be treated as minimum benchmark values. In cases, where declared values or values in invoice retrieved from the consignment, as the case may be, are higher than the customs values determined in this valuation ruling, the assessment shall be made on higher values in terms of sub-section (1) of Section 25 of the Customs Act, 1969.

7. In case of consignments imported by air, the difference between air freight and sea freight shall be added for the assessment of value.

8. The Valuation Ruling shall be applicable for the descriptions and specifications of goods as mentioned in the aforementioned table. HS Codes are mentioned for illustrative purposes.

9. The Collectorates of Customs shall ensure the implementation of Valuation Ruling and in case of any anomaly may be brought to the notice of this Directorate immediately.

(Azhar Hussain Merchant)
Director

Copy for necessary action and implementation:

The Collectors / Directors of Customs, Collectorates / Directorates of Customs (Appraisalment-West / East / SAPT / PMBQ / JIAP / Enforcement/), Karachi / Hyderabad / (Appraisalment / Enforcement / Ports), Quetta / Gwadar / Khuzdar (Appraisalment / Enforcement / AIIA), (Appraisalment-East / West, Lahore / Faisalabad Appraisalment / Enforcement, Sargodha / Enforcement & Appraisalment, Sambrial (Sialkot) / Enforcement, Multan / Islamabad / Gilgit-Baltistan / (Appraisalment/ Enforcement), Peshawar / Enforcement, Dera Ismail Khan / Exports (Port Qasim/Custom House, Karachi) / Transit Trade, Karachi.

Copy for information:

- 1) The Member Customs (Operations), F.B.R., Islamabad.
- 2) The Director General, Customs Valuation, Custom House, Karachi.
- 3) All Chief Collectors / Director Generals of Customs, Karachi / Lahore / Islamabad / Quetta / Peshawar.
- 4) All Collectors / Directors of Customs, Karachi / Lahore / Islamabad/ Quetta/ Peshawar/ Faisalabad.
- 5) The Director, Directorate of Customs Valuation, Lahore / Quetta / Peshawar.
- 6) The Deputy Director (MIS), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WEBOC database system.
- 7) The Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
- 8) The Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta & Peshawar.
- 9) The Karachi Customs Agents Group, Bohri Road, Karachi.
- 10) The Webmaster, Federal Board of Revenue, Islamabad.
- 11) Guard File.