

Customs value of edible sauces revised

Directorate General Customs Valuation (DGCV) has revised the customs values of different edible sauces under section 25-A of the Customs Act 1969. The customs values of sauces/salad dressing/mayonnaise/ mustard and tomato ketchup were earlier determined through Valuation Ruling No.952/2016. There was representation from commercial importers for determination of customs values of subject items afresh.

They claimed that the prices of sauces/ salad dressing/ mayonnaise/mustard and tomato ketchup were lower in the international markets than the customs values determined in the existing valuation ruling, which was one year old. Therefore, it is required to be revised as per prescribed period of 90 days as per court order and representations be received from commercial importers regarding values determined in the valuation ruling. Keeping the said in view, the meetings were held on September 27 and October 3, 2017 in order to determine the customs values of subject items. During meeting, the commercial importers requested that the said valuation ruling may be reviewed in the light of prevailing international market prices.

They contended that the customs values determined in earlier valuation ruling were required to be revised downward; otherwise these products would find their way into market through illegal routes which would create a grey area and adversely affect the bona-fide trade of the country. It was also highlighted that the subject goods were of perishable nature and have limited shelf life. It was also cited by the importers that the subject items were being sold mainly on super and general stores; therefore, a lot more expenses such as shelf rent, marketing expenses etc were also made at retail level which could not be managed without adding extra value to the subject goods.

The importers said that all these factors may be considered while determining the customs value of subject goods.

On the other hand, the local manufacturers specially tomato ketchup manufacturers said that there was no radical change in the prices of subject items in international market and requested to maintain the same as determined in last valuation ruling. The viewpoint of all participants was heard in detail and considered to arrive at customs value of sauces/salad dressing/mayonnaise/ mustard and tomato ketchup. Later, the DGCV analyzed the garnered information and adopted fall back method under section 25(9) of the Customs Act, 1969 to arrive at assessable customs values of the said items.

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