

Valuation Practices

Kenya's Experience

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9-13 August, 2008

BANGKOK, THAILAND

Background Information: Valuation

- This is based on WTO Agreement on Customs Valuation (ACV).
- Imports are valued on C.I.F (Cost, Insurance and Freight) basis while exports are valued on F.O.B (Free On Board) basis.

Background Information: Valuation Cont.

- C.I.F is the value at which goods are purchased by the importer, including the cost of transportation and insurance but excluding import duties, landing charges, internal taxes and similar charges levied in the country of import.
- F.O.B is the value at which goods are purchased by the importer abroad and includes all relevant charges up to the time of delivery on board the exporting vessel, the amount of any levy or export tax to which the goods may be liable as well as the profit to the consignor.

Valuation Cont.

- Data for international freight and insurance associated with the importation of goods is available separately as the importers are asked to provide it separately.
- As per the current recommendation (IMTS, Rev.2 para 116), imports are compiled on C.I.F basis. However, for BoP purpose, we convert imports C.I.F to imports F.O.B by factoring out freight and insurance charges.

Valuation Cont.

- Hence, compilation of imports statistical values on FOB-type basis as supplementary information is important to ensure accuracy of data since in most cases adjustments have to be done on the CIF-type value by factoring out freight and insurance figures .
- In some cases, for certain commodities, freight and insurance figures may not be readily available (or even difficulty to get).

Valuation Cont.

- The compilation of such F.O.B-type imports data ought to be at least at total level.
- A detailed level for compilation of F.O.B-type imports should be encouraged because of BoP compilation and also to provide a basis for a more thorough analysis of international flows of goods and services.

Time of recording

- Basing on the convention for recording goods, recording cannot be done simultaneously by exporter/importer.
- Compilation of external trade statistics in Kenya is based on the physical movement of goods across the frontiers of the country.

Time of recording

- However, the actual dates refer to the time of presentation of documents to customs authorities as dates of lodgement (receiving) and acceptance (passing).

The End

**Thank You For
Your Attention**

