

## D. Compilation of statistical values of exported goods

14.24. *Use of customs value as the statistical value.* The customs value and the statistical value of both imported and exported goods should be consistent. In this connection, IMTS 2010 (para. 4.4) recommends that countries adopt the WTO Agreement on Customs Valuation as the basis for valuation of all goods flows. This approach builds on article VII of the General Agreement on Tariffs and Trade (GATT),<sup>[8]</sup> which requires that the same principles of valuation should apply to valuation of both imported and exported goods. However, there is no international agreement on the implementation of article VII of the GATT with respect to the customs value of exported goods. IMTS 2010 recommends that an FOB-type value be used as the statistical value of exported goods.

14.25. Customs administrations enjoy freedom of interpretation in respect of how the customs value of exported goods should be determined. In general, customs requires that actual prices paid for the goods and costs of delivery to the border be declared, so that an FOB-type customs value can be established. In the absence of price information, customs might require certain substitutes such as the prices of identical or similar goods. The degree of verification of accuracy of the information provided by declarants depends in part on whether or not customs values are used for assessing export duties and other related charges. Countries may also have different interpretations of the term "costs of delivery to the border of the exporting country". For example, some countries do not include in this item the cost of inland insurance.

14.26. *Ensuring accuracy and comparability in valuation of exports.* As in many countries the customs valuation of exported goods is less regulated than valuation of imported goods, it is a good practice to make special efforts to assess the compatibility of customs practices of valuation of exported goods with statistical requirements. It is further advised that if customs values of economically significant shipments of goods, when established, clearly deviate from those requirements, these customs values be replaced, for statistical purpose, by values derived from non-customs sources or by estimated values (e.g., based on the value of identical or similar goods, if deemed more accurate). Compilers are encouraged to contact exporters of major commodities and, if necessary, to conduct special studies to determine the statistical value on the basis of cost of production, including cost of materials, compensation of employees and other relevant information.

14.27. *Use of the customs value if the terms of delivery are FOB or FCA.* The customs value for exports should be accepted as the statistical value, without adjustment (a) if the transaction value was established in accordance with articles 1 - 8 of the WTO Agreement and (b) provided that the terms of delivery were (i) free on board (FOB)<sup>[9]</sup> at port on the frontier of the exporting country (for goods dispatched by sea or inland waterway) or (ii) free carrier (FCA) at terminal on the frontier of the exporting country (for goods dispatched by means of transport to which FOB is not applicable).

14.28. *Use of the customs value if the terms of delivery are other than FOB or FCA.* In such cases, the customs value should be accepted as the statistical value, provided that appropriate adjustments were made to the invoice value. If the terms of delivery are other than FOB or FCA, compilers should ascertain whether the customs value includes the value of the services covered by the definition of statistical value and that it excludes any other costs. An outline of the required adjustments to the invoice price is contained in table XIV.3, below<sup>[10]</sup> (see para. 14.17 for explanation of the notation used in table XIV.2).

Table XIV.3

## Adjustments to the invoice price required to obtain FOB-type value of exported goods

Cost items	Terms of delivery										
	F	E	F	F	C	C	C	C	D	D	D
	O	X	C	A	F	I	P	I	A	A	D
	B	W	A	S	R	F	T	P	T	P	P
			/x								
<b>Costs in exporting country</b>											
1. Cost of loading on internal transport	Y	+	*	*	*	*	*	*	*	*	*
2. Cost of transportation from seller's warehouse to main carrier (including container stuffing costs)	Y	+	*	*	*	*	*	*	*	*	*
3. Cost of insurance to border of exporting country	Y	+	*	*	*	*	*	*	*	*	*
4. Contract of carriage, trade documents in exporting country	Y	+	*	+	*	*	*	*	*	*	*
5. Cost of loading on main carrier (including transport and warehouse port costs)	Y <sup>a</sup>	+	+	+	*	*	*	*	*	*	*
6. Cost of customs clearance at exportation, including any export duties and other charges	Y	+	*	+	*	*	*	*	*	*	*
<b>Main carriage</b>											
7. Cost of international carriage to border of importing country											
8. Insurance while in international carriage											-
<b>Costs in importing country</b>											
9. Cost of customs clearance at importation, including import duties and other charges											-
10. Cost of unloading at the port of importation (including transport and warehouse port costs)							<sup>b</sup>				
11. Cost of transportation in the importing country (including container un-stuffing costs)											
12. Cost of insurance while in transport in the importing country											
13. Cost of unloading at the buyer's warehouse											

**Abbreviations:** CIF: cost, insurance, freight; EXW: ex works; FCA: free carrier; FAS: free alongside ship; FOB: free on board; CFR: cost and freight; CPT: carriage paid to; CIP: carriage and insurance paid to; DAT: delivered at terminal; DAP: Delivered at place; and DDP: delivered duty paid.

**Note:** "Y" signifies that a cost item is covered by the definition of FOB-type value and normally included in the invoice price when delivered under FOB terms. An asterisk (\*) signifies that the cost item is normally included in the invoice price, when the goods are delivered under the terms indicated by the columns heading, with no adjustment needed. A plus sign (+) signifies that the cost item is excluded from the invoice price and is to be added. A minus sign (-) signifies that the cost item is included in the invoice price and is to be subtracted.

<sup>a</sup>Under the FOB term, this cost item may be divided between seller and buyer and may be only partially included in the invoice value of the goods. However, it should be fully *included* in the FOB-type statistical value of exported goods.

<sup>b</sup>Under the CIF term, this cost item may be divided between seller and buyer and may be only partially included in the invoice value. However, it should be fully *excluded* from the FOB-type statistical value of exported goods.

[8] See Legal Instruments Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations, done at Marrakesh on 15 April 1994 (GATT secretariat publication, Sales No. GATT/1994-7).

[9] If the term "delivered at frontier" (DAF), as defined in Incoterms 2000, is applied, then the customs value can also be accepted as the statistical value.

[10] It should be noted that table XIV.3 is identical to table XIV.2, as the FOB-type statistical value of exported and imported goods is compiled with reference to the same point of valuation: the border of the exporting country.