



GOVERNMENT OF PAKISTAN  
DIRECTORATE GENERAL OF CUSTOMS VALUATION  
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C. No. Misc/01/2009-VI/Dir-20

Dated: 12-06-2026

**PUBLICATION VALUATION RULING NO. 68 / 2026**

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 This Ruling shall be applicable until the same is rescinded or revised in terms of sub-section (4) of Section 25A of the Customs Act, 1969.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 Publication Valuation Ruling can be filed under Section 25D of the Customs Act, 1969, within 30 days before the Director General, Customs Valuation.

**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	Valuation Ruling	This Publication Valuation Ruling (PVR) supersedes PVR No. 62/2025 dated 14.07.2025 rescinded vide Order-in-Revision No. 55/2025 dated 10.10.2025.
2.	Date of meetings with stakeholders	The meetings with relevant stakeholders were conducted on 04.06.2026 and 11.06.2026 in compliance with directions

**Background of the Issue:** The customs value of Carbon Steel Seamless Pipes was earlier determined vide PVR No. 62/2025 dated 14.07.2025. The said PVR 62/2025 was assailed under Section 25D of the Customs Act, 1969 by M/s. Huffaz Seamless Pipe Industries Limited and M/s. Peoples Steel Mills Ltd (local manufacturers). The learned Director General, Customs Valuation, vide Order-in-Revision No. 55/2025 dated 10.10.2025, rescinded PVR 62/2025 with directions to conduct a fresh exercise, particularly addressing (a) round-bar feedstock instead of LME-listed square billets and (b) inclusion of the associated differential cost. The present PVR has been issued in compliance with the said directions on the basis of verifiable industry sources.

2. **Stakeholders' participation in determination of Customs Values:** Fresh meetings were convened. The local manufacturers contended that (i) the LME billet price relates to square construction-grade billets and not to seamless round-bar feedstock; (ii) round-bar feedstock is approximately USD 180–200/MT more expensive than LME square billets; (iii) an additional USD 170–200/MT is incurred for converting square billets into round bars; and (iv) freight at USD 60/MT is arbitrary. The importers maintained that fabrication cost should not exceed USD 300/MT. Local manufacturers and importers made written submissions and documents to support their respective contentions and the same were analyzed in detail.

3. **Analysis for determination of customs values of Carbon Steel Seamless Pipes:** In compliance with the Order-in-Revision, the computed value under Section 25(8) of the Customs Act, 1969 read with Rule 121 of the Customs Rules, 2001 has been reconstructed by adopting four discrete and individually verifiable cost elements: (a) LME billet price; (b) square-billet differential; (c) fabrication cost; and (d) freight. Each element is briefly justified below on the basis of internationally acclaimed publications under the proviso to sub-section (1) of Section 25A *ibid*.

**(a) LME price of Steel Billet:** This price is adopted as the base benchmark for the main constituent material, taken as published on the date of contract.

**(b) Square-Billet Differential (USD 50/MT):** It is an established industry fact that seamless pipes are pierced from *round* continuous-cast billets and not from square billets (*sources: Firgelli Automations; TMK Group Continuous-Cast Billet; Steels-Supplier*). Round billets are cast directly from round-mould crystallizers using the same molten steel; the incremental cost arises only from lower casting pulling-speed and marginally higher yield loss. Continental Steel quantifies the seamless billet premium at approximately 10–15% above plate/square equivalent (*source: Continental Steel*). Accordingly, USD 50/MT is adopted as square billet differential. The local manufacturers' claim of USD 180–200/MT is not adopted as it is unsupported by any published industry source, conflates the shape premium with a separate steel-chemistry (vacuum-degassing / aluminum-killing) premium not unavoidable for commodity seamless pipe of HS 7304.3900, and was not backed by documentary evidence during hearings.

**(c) Fabrication / Conversion Cost (USD 250/MT):** The conversion cost from billets to finished seamless pipes is benchmarked against five independent international sources: Steelonthenet Seamless Tube Cost Model 2025; China Steel Pipe Industry 2024 Cost Report via Hebei Huayang; Continental Steel; Eastern Steels, October 2025; and IMARC Group Seamless Tube Manufacturing Plant Project Report 2026.

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 LME prices of the main constituent materials with square billet differential, value addition on account of fabrication cost and actual freight. Finally, online information as well as values from internationally acclaimed publications i.e. LME 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:**

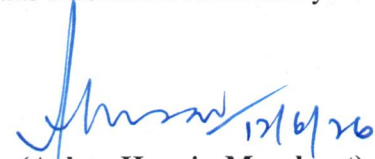
S. No.	Description of Goods	PCT	Proposed PCT for WeBOC	Origin	Customs Values (C&F) US\$ Per Ton
1	2	3	4	5	6
1.	Carbon Steel Seamless Pipes (Assorted Sizes)	7304.3900	7304.3900.1000	All Origins	LME price of Steel Billet <i>plus</i> US\$ 50/- as Square-Billet Differential <i>plus</i> US\$ 250/- as Fabrication Cost <i>plus</i> actual freight.

6. 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. 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.

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

  
(Azhar Husain Merchant)  
Director


**Copy for necessary action and implementation:**

The Collectors / Directors of Customs, Collectorates / Directorates of Customs (Headquarters-South)/ 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, Director Generals of Customs Valuation, Custom House, Karachi.
- 3) All Chief Collectors / Director Generals of Customs, Karachi / Lahore / Islamabad / Quetta / Peshawar.
- 4) The Director, Directorate of Customs Valuation, Lahore / Quetta / Peshawar.
- 5) All Collectors / Directors of respective Collectorates and Directorates.
- 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 Webmaster, Federal Board of Revenue, Islamabad.
- 10) All Pakistan Customs Agents Association, (APCAA) Ground floor, Burhani Terrace, Bohri Rd, opp. New Custom House, Kharadar Ghulam Hussain Kasim Quarters, Karachi.
- 11) The Karachi Customs Agents Group, Bohri Road, Karachi.
- 12) Guard File.

PLEASE CIRCULATE

  
SHAIKH WAQAS ANJUM  
General Secretary  
Karachi Customs Agents Association