



HARMONIZED SYSTEM
COMMITTEE

-
29th Session
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NC0522E1
(+ Annexes I and II)
O. Eng.

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ANNUAL SURVEY TO DETERMINE THE PERCENTAGE OF NATIONAL
REVENUE REPRESENTED BY CUSTOMS DUTIES

(Item II.9 on Agenda)

Reference documents :

NC0013E1 (HSC/23)
NC0090E2, Annex C/8 (HSC/23 - Report)
NC0177E1 (HSC/25)
NC0250E2, Annex C/3 (HSC/25 - Report)
NC0354E1 (HSC/27)
NC0430E2, paras. 47-49, (HSC/27 - Report)

I. INTRODUCTION

1. Customs duties have played a very important role in many countries over the years. They have increased the revenues of almost all nations and/or protected local industries. On the other hand, they have had a discouraging effect on trade among nations. Many efforts have been made to reduce or eliminate this tariff barrier and to increase trade. Among these efforts are regional free trade agreements (see Agenda Item II.10). Other efforts toward tariff reduction have been made by the multilateral trading system sponsored by the GATT/ WTO. These efforts have continuously decreased duty rates; as a result shares of Customs duties in terms of national revenues have declined in almost all nations.
2. Consequently, some people say that Customs tariffs are no longer important - that they make up a minor percentage of national revenues - and that the maintenance of the Harmonized System (HS) of tariff nomenclature is therefore no longer terribly relevant.
3. To provide accurate information to all Member administrations about the shares of national revenues represented by Customs duties and for a better understanding of the significance of the classification work performed by the HS Contracting Parties, the Secretariat has undertaken this survey on an annual basis since 1999 (see NC0090E1, Annex 8 (HSC/23 – Report), NC0250E2, Annex C/3 (HSC/25 – Report) and NC0430E2, paras. 47-49 (HSC/27-Report)).

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II. SECRETARIAT SURVEY

4. This year's survey is again based on information obtained mainly from publications issued by other international organizations, such as the IMF (International Monetary Fund) and the European Community. The survey in 1999 was limited to 74 HS Contracting Parties, including the EC. The survey in 2000 covered 102 countries, territories and economic unions using the Harmonized System (hereinafter referred to as "countries") for whom published data were available from the above referenced sources and in 2001 covered 146 countries. The present survey also covers 146 countries. In order to analyse trends effectively, data for the five years from 1995 to 1999 were used.
5. Annex I to this document shows the percentage of national revenues represented by Customs duties for 146 countries during the five years from 1995 to 1999 in respect of which data were available.
6. Annex II shows the distribution of country groups with different levels of the share of Customs duties in terms of national revenues in 1999 (data available for 106 countries only). In the case of one-fifth of the countries surveyed (21 countries), more than 30 % of the national revenues came from Customs duties (alone). For more than half of the countries (61 countries), over 10 % of the national revenues were derived from Customs duties. On the other hand, for about one-fifth of the countries surveyed (22 countries), less than 5 % of the national revenues came from Customs duties.

III. SECRETARIAT COMMENTS

7. In view of the foregoing, as pointed at the 27th Session, it can be seen that Customs duties have continuously played an important role in the revenues of developing countries even though their importance is gradually diminishing. On the other hand, the role of duties in developed countries has overall been less significant. Nevertheless, the Secretariat is aware that in many developed countries individual tariff rates remain important and overall duty collections are not insignificant.
8. It should also be noted, once again, that the information provided in this document is limited to the collection of Customs duties and does not reflect the complete fiscal role played by many Customs administrations which often includes the collection of excise duties and indirect taxes such as value added taxes.

IV. CONCLUSION

9. The Committee is requested to take note of the results of the Secretariat's survey and supplement our information to the extent possible.

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PERCENTAGE OF NATIONAL REVENUES REPRESENTED BY CUSTOMS DUTIES(%)					
Countries, Territories, Customs or Economic Unions using HS	1995	1996	1997	1998	1999
Albania	20.94	27.02	29.14	23.48	17.52
Algeria	-	29.20	23.68	22.69	25.25
Antigua and Barbuda	27.67	28.31	28.46	28.00	-
Argentina	7.68	8.67	10.34	9.62	8.30
Australia	3.31	2.70	2.64	2.78	2.49
Azerbaijan	8.56	19.65	8.93	12.84	9.03
Bahamas	51.38	51.96	52.50	50.98	50.22
Bahrain	45.12	41.05	45.60	48.14	47.20
Bangladesh	31.42	30.13	29.59	30.07	-
Barbados	17.00	14.19	10.16	9.22	8.62
Belarus	4.43	5.88	11.74	12.65	11.50
Belize	55.64	31.64	33.24	34.18	37.33
Benin	13.10	12.94	14.84	-	-
Bolivia	11.16	8.19	8.98	8.78	8.29
Botswana	37.72	37.23	-	-	-
Brazil	-	-	5.29	5.94	-
Brunei Darussalam	13.41	13.03	-	-	-
Bulgaria	11.07	9.50	11.22	10.58	6.06
Burkina Faso	28.59	26.88	25.89	24.18	-
Cameroon	14.67	15.43	16.26	15.49	-
Canada	2.63	2.22	2.05	1.80	1.43
Cape Verde	41.46	37.21	-	-	-
Central African Rep.	36.31	29.39	36.32	35.79	29.33
Chad	2.42	3.21	3.05	3.68	2.93
Chile	12.17	11.85	10.85	10.30	9.22
China	9.56	9.01	7.59	6.55	5.40
Colombia	10.75	8.98	9.44	11.11	8.55
Congo (Dem. Rep. of)	32.84	30.20	32.48	35.96	-
Congo (Rep. of)	40.25	40.26	33.89	27.75	19.27
Costa Rica	19.38	11.40	12.56	10.97	7.34
Côte d'Ivoire	33.94	34.44	34.16	32.69	37.15
Croatia	14.76	13.60	14.61	10.52	11.58
Cyprus	12.05	11.10	8.84	5.83	-
Czech Republic	6.95	7.11	5.19	4.45	3.65
Dominica	15.79	16.95	16.45	15.82	15.82
Dominican Rep.	38.67	38.53	37.97	38.45	41.74
Ecuador	20.83	17.81	22.68	29.65	22.30
Egypt	20.45	20.61	19.93	-	-
El Salvador	17.66	13.32	12.68	11.76	11.06
Equatorial Guinea	16.78	14.48	-	-	-
Estonia	0.72	0.01	0.01	0.00	0.00
Ethiopia	29.21	28.81	-	-	-
Fiji	24.38	22.77	24.67	24.38	22.77

Gabon	14.42	11.15	12.34	15.54	12.61
Gambia	17.54	16.65	-	-	-
Ghana	17.80	15.62	17.60	17.16	-
Grenada	19.96	25.45	26.43	26.53	25.13
Guatemala	24.57	18.44	16.39	14.47	13.09
Guinea	14.56	13.30	16.04	14.62	-
Guinea Bissau	18.98	21.04	20.74	30.05	29.41
Guyana	12.33	11.75	11.74	11.88	11.00
Haiti	18.85	15.70	21.78	20.53	-
Honduras	22.08	22.88	21.32	17.06	-
Hong Kong, China	6.55	6.05	5.35	6.68	6.60
Hungary	18.29	15.45	8.66	6.11	5.57
Iceland	1.67	1.57	1.55	1.61	1.19
India	31.60	33.12	28.62	28.59	28.39
Indonesia	4.45	3.70	2.98	1.61	2.44
Iran	9.84	13.51	13.38	14.76	13.13
Israel	1.11	1.06	1.02	0.97	1.01
Jamaica	12.58	11.84	12.48	11.68	11.98
Japan	1.88	2.01	1.77	1.76	1.72
Jordan	32.64	31.57	28.57	30.06	27.79
Kazakhstan	9.73	5.60	3.92	4.64	4.44
Kenya	17.06	17.11	17.63	16.77	-
Korea (Rep.)	8.16	8.17	8.29	5.66	5.63
Kuwait	69.89	79.12	76.85	70.34	73.28
Latvia	5.37	4.30	3.70	2.96	2.43
Lebanon	62.85	56.89	60.18	58.86	38.95
Lesotho	64.13	64.74	65.75	61.03	62.64
Lithuania	5.02	4.64	3.83	3.29	2.73
Madagascar	52.62	53.24	54.93	59.24	57.33
Malawi	19.37	18.02	19.56	17.16	15.33
Malaysia	12.92	12.42	13.46	8.16	9.85
Maldives	64.21	63.19	63.97	63.86	64.44
Mali	37.64	34.78	36.98	36.74	33.70
Malta	3.40	3.64	2.37	2.34	2.44
Mauritania	19.92	21.29	20.77	18.98	17.09
Mauritius	43.99	41.66	39.50	38.48	32.60
Mexico	5.69	5.44	5.08	5.48	5.53
Mongolia	15.03	18.17	7.33	0.95	5.52
Morocco	19.35	-	19.67	20.06	20.08
Myanmar	20.68	25.60	17.34	9.51	12.56
Namibia	32.01	32.78	30.58	-	-
Nepal	33.95	33.07	33.17	31.84	31.61
New Zealand	2.67	2.68	2.98	2.62	1.70
Nicaragua	25.81	21.42	22.90	26.85	9.53
Niger	10.61	9.68	12.22	15.96	38.90
Nigeria	22.19	22.22	23.33	23.29	-
Norway	1.26	1.01	0.89	0.92	0.68
Pakistan	31.41	30.35	27.82	21.69	16.08

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Panama	17.94	18.70	20.39	22.51	19.13
Papua New Guinea	24.05	21.97	21.96	24.65	27.80
Paraguay	9.56	19.43	19.56	19.30	14.80
Peru	13.10	12.00	11.06	12.41	12.77
Philippines	31.43	28.42	23.00	18.24	20.15
Poland	11.97	10.29	6.54	4.97	4.62
Romania	9.10	10.16	8.82	9.60	9.09
Russia	4.81	-	-	10.64	8.74
Rwanda	30.74	28.43	24.44	21.52	18.21
Saint Lucia	27.39	28.92	28.26	27.54	25.28
Saint Vincent and the Grenadines	51.59	47.93	50.75	47.19	49.91
Senegal	34.45	36.01	32.29	28.17	-
Sierra Leone	43.25	51.46	47.42	53.93	49.76
Singapore	1.98	2.10	1.97	2.24	3.34
Slovakia	4.05	6.81	8.54	7.38	7.55
Slovenia	15.93	13.20	8.73	6.24	5.14
Solomon Islands	25.23	22.32	23.93	-	-
South Africa	4.47	4.21	2.85	2.80	3.02
Sri Lanka	20.55	19.55	18.76	19.10	16.70
Sudan	20.76	31.33	26.73	28.09	35.09
Swaziland	52.88	52.56	53.48	52.69	53.95
Switzerland	2.35	2.11	2.60	2.10	2.67
Syrian Arab Rep.	12.45	13.94	11.85	13.63	-
Tanzania	31.59	33.84	31.91	35.51	32.03
Thailand	18.16	16.18	13.55	10.06	10.62
Tonga	63.34	64.22	61.10	63.06	65.02
Trinidad and Tobago	6.86	5.81	7.49	9.32	8.98
Tunisia	39.62	37.32	20.06	18.46	16.55
Turkey	4.77	2.82	2.67	2.00	1.74
Uganda	12.89	10.51	10.44	10.29	10.59
United Arab Emirates	0.00	0.00	0.00	0.00	0.00
United States	2.32	2.05	1.78	1.65	1.56
Uruguay	5.26	5.13	5.21	5.30	5.00
Vanuatu	55.74	56.43	38.14	51.63	41.09
Venezuela	12.00	10.01	9.48	17.51	14.03
Viet Nam	30.93	28.77	25.52	25.92	26.43
Yemen	36.60	32.64	26.44	27.44	25.88
Zambia	42.03	12.86	13.62	17.24	17.12
Zimbabwe	18.75	19.06	18.97	-	15.30
EC	18.23	16.74	16.03	14.95	13.87
EC Member States	1.13	0.99	0.95	0.91	-

- Notes :
1. Tax revenues are used as being equivalent to national revenues after excluding social security contributions for all countries, except the EC and its Members.
 2. In the case of the EC, revenues means its own resources, which are composed of traditional resources (agricultural levies, levies and other duties provided for in the sugar sector and Customs duties, less the 10% collection expenses currently incurred by the Member States), VAT resources and GNP resources. Customs duties come from the imposition of common Customs tariff duties

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and other duties on trade with non-Member countries, which are collected by the Member States and paid to the EC after deduction of the collection expenses.

3. The data for Customs duties, tax revenues and social security contributions are based on the following sources :

- "Government Finance Statistics Yearbook 2001", The International Monetary Fund"
- "Country Information" from the International Monetary Fund website
- "Official Journal of the European Communities Annual Report for Financial Year 1995, 1996, 1997, 1998 and 1999"
- "Revenue Statistics" for 2001, OECD.

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SHARE OF CUSTOMS DUTIES IN NATIONAL REVENUE (1999)

