



HARMONIZED SYSTEM
COMMITTEE

-
27th Session
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(+ Annexes I to III)
O. Eng.

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

(Item II.8 on Agenda)

Reference documents :

NC0013E1 (HSC/23)
NC0090E2, Annex C/8 (HSC/23 - Report)
NC0177E1 (HSC/25)
NC0250E2, Annex C/3 (HSC/25 - 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 increase trade. Among these efforts are regional free trade agreements (see Agenda Item II.9). 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.

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II. SECRETARIAT SURVEY

4. This 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. Last year's survey 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. The present survey covers 146 countries. In order to analyse trends effectively, data for the five years from 1994 to 1998 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 1994 to 1998 in respect of which full data were available. The overall average percentage was reduced from 19.78% in 1994 to 16.89% in 1998.
6. Annex II shows the distribution of country groups with different levels of the share of Customs duties in terms of national revenues in 1998. In the case of one-sixth of the countries surveyed (21 countries), more than 30% of the national revenues came from Customs duties (alone). For more than half (58%) of the countries (70 countries), over 10% of the national revenues were derived from Customs duties. On the other hand, for almost one third (30%) of the countries surveyed (36 countries) less than 5% of the national revenues came from Customs duties.
7. Annex III shows the trend of the percentage of national revenues represented by Customs duties during the period 1994 to 1998. In the case of developed countries, the share of Customs duties in terms of national revenues was very low and declined from 1.48% in 1994 to 1.31% in 1998. On the other hand, the share of Customs duties of developing countries was quite high but is also declining.

III. SECRETARIAT COMMENTS

8. In view of the foregoing, it can be seen that Customs duties continue to play an important role in the economies of developing countries even though their importance is gradually decreasing. The role of duties in developed countries is, on the whole, less significant. Nevertheless, the Secretariat is aware that in many developed countries individual tariff rates remain important and overall duty collections are not insignificant.
9. It should also be noted, once again, that the information presented 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

10. 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	1994	1995	1996	1997	1998
Albania	-	20.94	27.02	29.14	23.48
Algeria	18.39	19.49	16.25	-	-
Antigua and Barbuda	27.33	27.67	28.31	28.46	28.00
Argentina	8.07	7.68	8.67	10.34	9.62
Australia	3.46	3.31	2.70	2.64	2.78
Azerbaijan	8.35	8.56	19.65	8.93	12.84
Bahamas	54.97	51.38	51.96	52.50	50.98
Bahrain	47.00	45.12	41.05	45.60	48.14
Bangladesh	32.89	31.42	30.13	29.59	-
Barbados	-	17.00	14.19	10.16	9.22
Belarus	3.41	4.43	5.88	11.74	-
Belize	53.09	55.64	31.64	33.24	34.18
Benin	11.72	13.10	12.94	14.84	-
Bermuda	-	-	-	-	-
Bolivia	10.86	11.16	8.19	8.98	8.78
Botswana	31.25	37.72	37.23	-	-
Brazil	4.41	-	-	5.29	-
Brunei Darussalam	9.25	13.41	13.03	-	-
Bulgaria	11.11	11.07	9.50	11.22	10.58
Burkina Faso	30.24	28.59	26.88	25.89	24.18
Cameroon	16.19	14.67	15.43	16.26	15.49
Canada	3.35	2.63	2.22	2.05	1.80
Cape Verde	38.44	41.46	37.21	-	-
Central African Rep.	26.48	36.31	29.39	36.32	35.79
Chad	-	-	-	-	-
Chile	11.47	12.17	11.85	10.85	10.30
China	10.19	9.56	9.01	7.59	6.55
Colombia	10.71	10.75	8.98	9.44	11.11
Comoros	-	-	-	-	-
Congo (Dem. Rep. of)	38.59	32.84	30.20	32.48	-
Congo (Rep. of)	37.59	36.35	40.32	39.37	28.62
Cook Islands	-	-	-	-	-
Costa Rica	20.51	19.38	11.40	12.56	10.97
Côte d'Ivoire	35.37	33.94	34.44	34.16	32.69
Croatia	14.84	14.76	13.60	14.61	10.52
Cuba	-	-	-	-	-
Cyprus	12.83	12.05	11.10	8.84	5.83
Czech Republic	7.57	6.95	7.11	5.19	4.45
Djibouti	-	-	-	-	-
Dominica	17.56	15.79	16.95	16.45	15.82
Dominican Rep.	40.97	38.67	38.53	37.97	38.45
Ecuador	11.80	20.83	17.81	22.68	29.65

Egypt	19.76	20.45	20.61	19.93	-
El Salvador	16.70	17.66	13.32	12.68	11.76
Equatorial Guinea	17.09	16.78	14.48	-	-
Estonia	2.91	0.72	0.01	0.01	0.00
Ethiopia	32.11	29.21	28.81	-	-
Fiji	23.59	24.38	22.77	24.67	-
Gabon	16.12	14.42	11.15	12.34	15.54
Gambia	22.26	17.54	16.65	-	-
Ghana	15.30	17.80	15.62	17.60	17.16
Grenada	20.33	19.96	25.45	26.43	26.53
Guatemala	23.88	24.57	18.44	16.39	14.47
Guinea	15.87	14.56	13.30	16.04	14.62
Guinea Bissau	16.15	18.98	21.04	20.74	30.05
Guyana	-	12.33	11.75	11.74	11.88
Haiti	13.22	18.85	15.70	21.78	20.53
Honduras	27.05	22.08	22.88	21.32	17.06
Hong Kong, China	6.39	6.55	6.05	5.35	6.68
Hungary	13.71	18.29	15.45	8.66	6.11
Iceland	1.73	1.67	1.57	1.55	1.61
India	28.39	31.60	33.12	28.62	28.59
Indonesia	6.71	4.45	3.70	2.98	1.61
Iran	18.65	9.84	13.51	13.38	14.76
Israel	0.76	1.11	1.06	1.02	0.97
Jamaica	11.71	12.58	11.84	12.48	11.68
Japan	1.84	1.88	2.01	1.77	1.68
Jordan	37.22	32.64	31.57	28.57	30.06
Kazakhstan	-	9.73	5.60	3.92	4.64
Kenya	15.51	17.06	17.11	-	-
Kiribati	-	-	-	-	-
Korea (Rep.)	7.31	8.16	8.17	8.29	5.66
Kuwait	64.76	69.89	79.12	76.85	70.34
Latvia	7.57	5.37	4.30	3.70	2.96
Lebanon	47.80	62.85	56.89	60.18	58.86
Lesotho	66.28	64.13	64.74	65.75	61.03
Libyan Arab Jamahiriya	-	-	-	-	-
Liechtenstein	-	-	-	-	-
Lithuania	10.81	5.02	4.64	3.83	3.29
Macau, China	-	-	-	-	-
Macedonia, the Former Yugoslav Rep. of	-	-	-	-	-
Madagascar	45.57	52.62	53.24	54.93	59.24
Malawi	22.50	19.37	18.02	19.56	17.16
Malaysia	14.39	12.92	12.42	13.46	8.16
Maldives	63.42	64.21	63.19	63.97	63.86
Mali	34.08	37.64	34.78	36.98	36.74
Malta	32.26	6.55	6.53	6.21	-
Mauritania	-	19.92	21.29	20.77	18.98

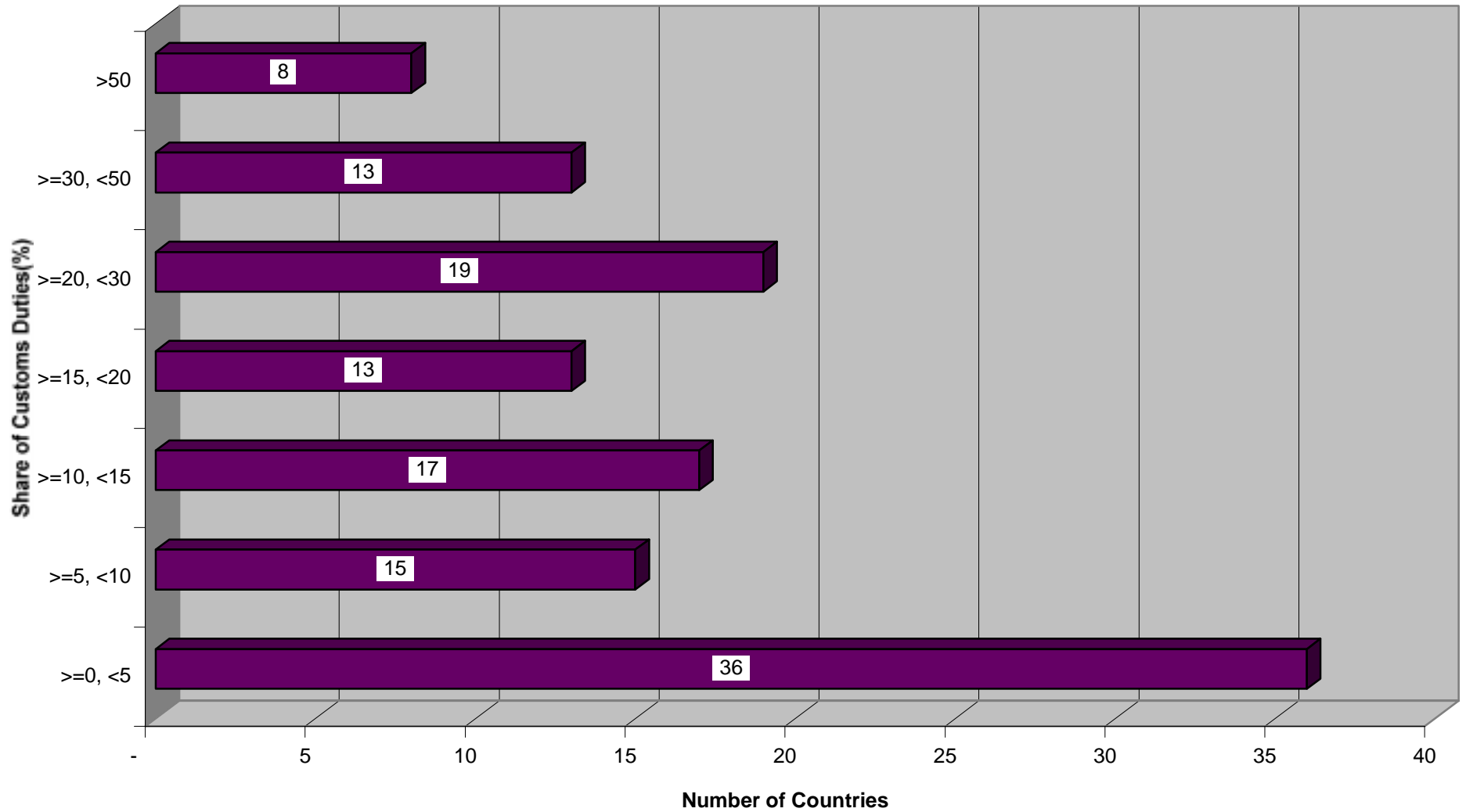
Mauritius	45.90	43.99	41.66	39.50	38.48
Mexico	8.40	5.69	5.44	5.08	5.48
Mongolia	17.43	15.03	18.17	7.33	0.95
Morocco	21.08	19.21	17.34	17.57	-
Mozambique	-	-	-	-	-
Myanmar	21.02	20.68	25.60	17.34	9.51
Namibia	28.77	32.01	32.78	30.58	-
Nepal	31.35	33.95	33.07	33.17	31.84
New Caledonia (French Terr.)	-	-	-	-	-
New Zealand	2.38	2.67	2.68	2.98	2.62
Nicaragua	26.35	25.81	21.42	22.90	26.85
Niger	35.94	39.71	37.87	42.21	43.92
Nigeria	21.98	22.19	22.22	23.33	23.29
Niue	-	-	-	-	-
Norway	0.99	1.26	1.01	0.89	0.92
Pakistan	32.27	31.41	30.35	27.82	21.69
Panama	17.91	17.94	18.70	20.39	22.51
Papua New Guinea	21.71	24.05	21.97	21.96	24.65
Paraguay	18.24	9.56	19.43	19.56	19.30
Peru	13.08	13.10	12.00	11.06	12.41
Philippines	28.21	31.43	28.42	23.00	18.24
Poland	13.07	11.97	10.29	6.54	4.97
Polynesia (French Terr.)	-	-	-	-	-
Qatar	-	-	-	-	-
Romania	7.33	9.10	10.16	8.82	-
Russia	3.67	4.81	-	-	10.64
Rwanda	-	30.74	28.43	24.44	21.52
Saint Kitts and Nevis	51.24	-	-	-	-
Saint Lucia	26.56	27.39	28.92	28.26	27.54
Saint Pierre and Miquelon (French Terr.)	-	-	-	-	-
Saint Vincent and the Grenadines	49.06	51.59	47.93	50.75	47.19
Saudi Arabia	-	-	-	-	-
Senegal	35.51	34.45	36.01	32.29	28.17
Sierra Leone	40.99	43.25	51.46	47.42	-
Singapore	2.11	1.98	2.10	1.97	2.24
Slovakia	-	4.05	6.81	8.54	7.38
Slovenia	16.14	15.93	13.20	8.73	6.24
Solomon Islands	24.74	25.23	22.32	23.93	-
South Africa	0.77	4.47	4.21	2.85	2.80
Sri Lanka	22.73	20.55	19.55	18.76	19.10
Sudan	19.81	20.76	31.33	26.73	28.09
Suriname	-	-	-	-	-
Swaziland	-	52.88	52.56	53.48	52.69
Switzerland	2.76	2.35	2.11	2.60	2.10
Syrian Arab Rep.	13.93	12.45	13.94	11.85	13.63
Tanzania	30.43	31.59	33.84	31.91	35.51

Thailand	19.11	18.16	16.18	13.55	10.06
Togo	-	-	-	-	-
Tonga	67.17	63.34	64.22	61.10	-
Trinidad and Tobago	9.22	6.86	5.81	7.49	9.32
Tunisia	39.96	39.62	37.32	20.06	18.46
Turkey	4.05	4.77	2.82	2.67	2.00
Tuvalu	-	-	-	-	-
Uganda	36.34	12.89	10.51	10.44	-
Ukraine	-	-	-	-	-
United Arab Emirates	0.00	0.00	0.00	0.00	0.00
United States	2.62	2.32	2.05	1.78	1.65
Uruguay	6.00	5.26	5.13	5.21	5.30
Uzbekistan	-	-	-	-	-
Vanuatu	66.06	55.74	56.43	38.14	51.63
Venezuela	12.02	12.00	10.01	9.48	17.51
Viet Nam	30.64	30.93	28.77	25.52	25.92
Wallis and Futuna (French Terr.)	-	-	-	-	-
Yemen	28.90	36.60	32.64	26.44	27.44
Zambia	38.37	42.03	12.86	13.62	17.24
Zimbabwe	21.76	18.75	19.06	18.97	-
EC	16.42	18.23	16.74	16.03	14.95
EC Member States	1.11	1.13	0.99	0.95	0.91
AVERAGE	19.78	19.52	18.91	17.96	16.89

- 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. The average was calculated by the simple average (mean) method.
 3. In the case of the European Community, 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 and other duties on trade with non-Member countries, which are collected by the Member States and paid to the EU after deduction of the collection expenses.
 4. The data for Customs duties, tax revenues and social security contributions are based on the following sources :
 - "Government Finance Statistics Yearbook 2000", 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 and 1998"
 - "Revenue Statistics" for 2000, OECD
 - "Financial Statistics of Japan 1998", Ministry of Finance, Japan
 - Official comments from EC

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SHARE OF CUSTOMS DUTIES IN NATIONAL REVENUES (1998)



TREND OF SHARE OF CUSTOMS DUTIES

