

➤ **Q: What are the provisional tariff rates?**

A: According to the regulations on import and export duties of the people's republic of China, the tariff and classification committee of the state council is in charge of formulating the provisional tariff rates (generally on annual basis) in line with the economic policies of the state. The provisional tariff rates include the provisional rates on imported goods and the rates on exported goods.

The provisional most favored nation tariff rates are more favorable than the MFN rates, which are applied to the raw materials, key parts imported for the reasons that the domestic enterprises can not be able to produce or the functions and quality of the domestic products are not satisfying. The provisional MFN tariff rates are only applicable to the goods imported from the countries and regions eligible for the MFN rates.

In 2002, China adopts provisional MFN tariff rates for imported goods of 209 tariff number (only applicable to the countries and regions within the coverage of the MFN rates), and the rates range from 0 to 15% (for example, 5% for wind power facility, 10% for natural emulsion, 12% for freezer compressors, 15% for cocoa fat). There are 23 tariff numbers of goods are subject to provisional MFN tariff rates for export duty, the rates range from 0 to 20% (for example, 0% for benzene, copper products and aluminum products, 5% for lead ore and its refined mineral, 10% for eel fry, zinc ore and its refined mineral and its refined mineral and ferrosilicon, and 20% for tin ore and its refined mineral).

The provisional MFN tariff rates are prior to the MFN tariff rates. In case that the provisional MFN rates are determined on basis of conventional rates, special treatment rates for importation, the duty shall be computed on whichever is lower. Whenever determining the goods eligible for the provisional MFN tariff rate, whichever is lower. But no further reduction of duty shall be given.

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