

## Tariff Rates

The tariff rates are composed of import tariff rates and export tariff rates.

1) The tariff rates for imports fall into tariff rates for most favored nations, conventional tariff rates, special treatment tariff rates, general tariff rates and quota tariff rates. The provisional tariff rates may be adopted on imported goods for a certain period of time.

a. The tariff rates for most favored nations are applicable to the imported goods originating from the WTO member countries that commonly are eligible for the MFN clauses or the imported goods originating from the countries or regions with which the People's Republic of China has concluded trade treaties or agreements with reciprocal favorable tariff clauses therein or the imported goods originating from China.

b. The special treatment tariff rates are applicable to the imported goods originating from the conventional parties with which China has participated in the regional trade conventions with relevant Customs duty preferential clauses.

c. The special treatment tariff rates are applicable to the imported goods originating from the countries or regions with which China has concluded special preferential Customs duty agreement.

If some imported goods are subject to two or more of the tariff rates for most favored nations, conventional tariff rates and special treatment tariff rates at the same time, the lowest rate shall apply.

d. The general tariff rates apply to the imported goods originating in the countries or regions other than those mentioned above or the imported goods with ambiguous origin.

e. Where the imported goods subject to tariff rates for most favored nations are eligible for provisional tariff rates, the provisional tariff rates should apply. Where the imported goods subject to the conventional tariff rates, special treatment tariff rates are eligible for the provisional tariff rates, the provisional tariff rates should apply. The imported goods applicable to general tariff rates are not eligible for the provisional tariff rates.

When executing the relevant import duty reduction policy of the State, the duty reduction rate on the relevant items should be calculated first on basis of the tariff rates for most favored nations. Then, according to the origins of the imported goods and the applicable scope of the tariff rates, the reduction rates are compared with the special treatment tariff rates, the conventional tariff rates and the provisional tariff rates, whichever lower shall be chosen for execution.

f. For the imported goods subject to the Customs duty quota administration by the State rules, the quota tariff rates shall apply for the goods within the quota. For the part beyond the quota, the tariff rates for most favored nations, conventional tariff rates, special treatment tariff rates, general tariff rates and the provisional tariff rates shall apply by the rules above.

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2) The export duty has export tariff rates. The provisional tariff rates may apply to the exported goods for certain period of time.

Where the exported goods subject to export tariff rates are eligible for provisional tariff rates, the provisional tariff rates should apply.

In addition, when adopting anti-dumping, anti-subsidy or guaranty measures on imported goods according to the relevant laws and administrative regulations, the application of the tariff rates shall follow the relevant rules of the regulations of the people's Republic of China on Anti-dumping, the Regulations of the People's Republic of China on Anti-Subsidy and the Regulations of the People's Republic of China on Guaranty measures promulgated by the State Council.

Where any country or region takes the measures of prohibit, restriction, additional duty against China in trade or other measures affecting the normal trade in violation of the trade agreements and the relevant agreements that China has concluded or participated, China may adopt the retaliation tariff rates. The goods subject to the retaliation duty, the applicable country, the tariff rates, the time limit and the collection method should be promulgated by the Tariff and Classifications Committee of the State Council.

The State Council formulates the Classifications of Import & Export of the People's Republic of China and the Import Tariff Rate Table of the People's Republic of China for In-coming Articles that stimulate the items, classification number and rate of the duty as the component of the import and export duty regulations.

The State Council sets up the Tariff and Classification Committee that is responsible for:

- a. The adjustment and interpretation of the Classifications of Import & Export and the items, classification number and rates of the Import Tariff Rate Table for In-coming Articles, which should be reported to the State Council for execution.
- b. Deciding the goods subject to the provisional tariff rates and the rates and the rates and the time limit thereof.
- c. Deciding the quota tariff rates.
- d. Deciding the levying of anti-dumping duty, anti-subsidy duty, the guaranty measure duty, the retaliation duty and other duty measures.
- e. Deciding the application of tariff rates under special circumstances.
- f. Other functions assigned by the State Council.

In recent years, in order to suit the development of foreign economic trade and cooperation, the import tariff rates of China have been declining. The average rate declined from 43.2% in 1992 to 35.9% in 1994, 23.0% in 1996, and 17.0% in 1997 and continued to decline from 1999 year by year. From January 1, 2005, the it has declined to 9.9%.

In 2006, there are 7605 tariff numbers for imported goods in the Classifications. Most of them are flat. The copyright and/or other intellectual property rights of China Business Engine including related text, images, charts, sound, animation, and videos, and their arrangement on the China Business Engine website, are protected by copyright and other protective laws.

rates (MFN tariff rates range from 0 to 65%, general tariff rates range from 0 to 270%). A few of them are quantity-based tariff rates (like frozen chicken, beer, crude oil) and compound tariff rates (like video players, digital cameras).

At present, the tariff rates for imports in china are mainly MFN tariff rates, by the differential rates of which the State economic and foreign trade policies are embodied. In 2005 for example, the MFN rate is 12% and the general rate is 100% for orange, the quota rates are respectively 1%, 6%, 9% and 10%, the MFN tariff rates is 65% and the maximum general rate is 130% or 180% for wheat, the MFN rate ranges from 7.5% to 30% and the general rate is 90% for fruit juice, the MFN rate is 10% and the general rate is 180% for whisky, the MFN rate is 25% and the general rate is 180% for cigarettes, the MFN and the general rates are all 0 rate for iron, copper, aluminum, lead, zinc, chromium and uranium and their refined minerals, the MFN rate is 5% and the general maximum rate is 14% for auto gasoline and aviation gasoline, the MFN rate is 4% and the general rate is 11% for ammonium soleplates and calcium super phosphate, the MFN rate is 10% and the general rate is 150% for perfume, the books newspapers and magazines are all subject to 0 rate, the MFN rate is 25% and the general rate is 130% for wool suits of clothes, the MFN rate is 20% and the general rate is 130% for gold and silver decoration, the MFN rate is 10% and the maximum general rate is 30% for tower crane, the MFN rate is 4% and the maximum general rate is 30% for seed plant machines, the MFN rate is 0 and the general 70% for micro-computers, the MFN rate is 30% and the general rate is 130% for the color TV, the MFN rate is 28% and the general rate is 230% for the gasoline cars with disposal capacity less than 2500 ml and 270% for the gasoline cars with disposal capacity over 2500 ml, the MFN rate is 17.5% and general rate is 70% for pianos, and the MFN rate is 0 and the maximum general rate is 80% for toys.

In 2006, there are 90 tariff numbers for exported goods subject to Duties (mainly un-reproducible resource product and the raw materials domestically in shortage and restricted from exports) in China, and the rates ranges from 20% to 50% with 4 different rates. For example, 50% rate applies to tin ores and its refined mineral, 40% to benzene, chromium iron, 30% to lead a zinc ores and their refined minerals, 25% to ferrosilicon, and 20% to tungsten ore and its refined mineral, eel fry, goat skin.

In 2006, China adopts provisional tariff rates for imported goods of 264 tariff number, and the rates range form 0 to 40% (for example, 0 for ethane, 2.5% for liquid crystal board, 5% for wind power generating facility, 10% for natural latex, 15% for cocoa fat, 22% for ceramic tile, 40% for reproductive tobacco). There are 67 tariff numbers of goods are subject to provisional MFN tariff rates for export duty, the rates range from 0 to 30% (for example, 0% for benzene and aluminum products, 5% for manganese iron and un-forged antimony, 10% for eel fry and un-refined copper, and 20% for tine ore and its refined mineral.)

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