

## China cuts tariffs to fulfill WTO commitments

### The Rubber Economist

Wednesday, 6 January 2010



China further adjusts the tariffs from January 1st, 2010, mainly related to the MFN (most-favored nation) tax rate, annual provisional tax rates, the agreement rates, preferential tax rates and tariff lines. After this adjustment, China's WTO tariff reduction commitment has been fully completed (China Chemical Reporter, 6 January 2010).

The average import tariff in 2010 is the same as in 2009, remaining 9.8%. Among them, the average tax rate is set at 15.2% for agricultural products, and 8.9% for industrial products. The Ministry of Finance of China (MOF) released on December 15th, 2009.

The provisional import tariff is raised to 3% for fuel oil in 2010 and 6% for jet fuel, an increase of 1% for both products that could influence domestic oil prices.

China has kept import duty for naphtha, a feedstock for petrochemicals, at 1% in 2010. And the import duty for gasoline, diesel and kerosene is also unchanged with a duty of 1% since 2008 against 5%-6% previously.

For imports of chemical fertilizers like urea, compound fertilizers and DAP (diammonium phosphate), China continues to conduct imports quota of normal tariffs in 2010, with the tax temporarily at 1% for import quota of fertilizers and 50% beyond the import quota. In parallel, the nation practices varying export tariff by seasonal planting for urea, diammonium hydrogen phosphate and ammonium dihydrogen phosphate as well as compound fertilizers to ensure China's market needs.

Concerning inorganic compounds, the import tax is generally set at 2% involving barium compounds, cobalt compounds and sodium tetraborate, and 1% for fertilizer-used potassium nitrate, calcium phosphate, potassium fertilizers and phosphate fertilizers.

Among organic chemicals, the import duty is temporarily set at 1% for propylene, 1,2-ethylene dichloride and vinyl chloride; and at 3% for propanol, 1,2- and 1,3- propylene glycol, glycerin and propionic acid. The import duty for caprolactam is stood at 7%

Furthermore, China remains the existing selective import duties for natural rubber family in 2010 with tax cut. The import tax on natural rubber falls by 23% to RMB2 000 per ton or 10%, while the tax on rubber smoked sheet drops by 38% to RMB1 600 per ton or 20%, MOF said.

The lower import tariffs on natural rubber family in 2010 will help domestic tire-makers cut cost, facing the increasing demand from the domestic soaring car market. "We might import more natural rubber in the coming months, but we will first calculate our cost, considering both domestic demand and global natural rubber prices," said a trader.

To promote energy/resource conservation and environmental protection, China imposed lower import tax on the resource intensive products and the eco-friendly equipment and spare parts, involving coal, lithium mine products. China levied export tax for resources intensive products like crude oil at 5%, coal at 19% and steel at 15%.

***Sourced from:***

***[http://www.therubbereconomist.com/The Rubber Economist/News/Entries/2010/1/6 Entry 1.html](http://www.therubbereconomist.com/The_Rubber_Economist/News/Entries/2010/1/6_Entry_1.html)***