

CLIENT ALERT

China Announces Tariff Adjustments for 2020

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The Chinese Ministry of Finance (the MOF) issued this week a "Notice on Tariff Adjustment Plan 2020" (the "Notice") adjusting tariffs for certain products effective January 1, 2020.

According to the Notice, China will impose reduced temporary import tariffs, which are lower than the most-favored-nation (MFN) tariffs, on 859 products from all of its trade partners as part of an overall tariff adjustment program. The intent of the move is to "increase imports of products facing a relative domestic shortage, or foreign specialty goods for everyday consumption." Products that will benefit include, without limitation, food, fruits, chemical, pharmaceutical, mineral, wood, machinery, electrical, optical, photographic and medical products. For example, currently the MFN rate for frozen pork is 12%; however, the applicable tariff rate will be reduced to 8% after the adjustment becomes effective. China will also apply zero import tariff on raw materials used for the production of anti-cancer medicines and new diabetes medicines to promote the production of new medicines.

In addition, as of July 1, 2020, China will reduce the MFN rates for 176 information technology products, such as mobile communication base stations, routers and equipment used for production of semiconductors and integrated circuits.

Please contact us if you would like to assess further the impact of the adjustment on your imports into China.

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For more information, please contact the professional(s) listed below, or your regular Crowell & Moring contact.

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