

## China's tariffs on imported seafood unchanged in latest revision

China will lower import tariffs on products ranging from frozen pork and avocado to some types of semiconductors next year, but tariffs for surging seafood imports will stay the same.

Next year, China will implement temporary import tariffs, which are lower than the most-favored-nation tariffs (MFN), on more than 850 products, China's finance ministry said on Monday, Dec. 23. By comparison, 706 products were taxed at temporary rates in 2019.

The tariff changes were made to “increase imports of products facing a relative domestic shortage, or foreign specialty goods for everyday consumption,” the ministry said in a statement on its website.

For 18 seafood products on the temporary tariff list this year, all will continue to benefit from lower rates with no changes, according to the document.

China has lowered tariffs on a range of seafood products in recent years, as its imports surge. In May 2018, tariffs on more than 200 seafood items were lowered, with MFN tariffs on seafood imports, on average, down from 12.2% to 7.2%, according to an Undercurrent News analysis.

The changes were applied to a number of key imports, such as frozen pangasius, although there were also some key omissions (tariffs on fresh salmon imports remained unchanged), and, in practice, the changes were not as significant as the headline figure suggested, based on Undercurrent's analysis.

At the time, the president of China's seafood industry association, China Aquatic Product Processing and Marketing Alliance, said



Beijing was responding to the huge increase in Chinese imports of consumer goods, including seafood.

"I don't think China is well-prepared for this change [becoming a large importer]. You can see China has tried to adjust policies quickly, such as lowering tariffs," he said at the time.

Other past revisions -- such as earlier in 2018 and in late 2017 -- included lowering tariffs for some frozen shrimp products from 5% to 2%, as well as on imports of frozen salmon.

To view a full list of products and their respective tariff rates click [here](#), where tables of tariff rates can be found below the article.

Any reduction of tariffs is significant for a country of China's size.

A 3% reduction in tariffs for shrimp imports saw importers save some \$8.87 million in duties in 2018, based on China's shrimp imports under the respective HS code (03061719).

This makes free trade agreements with countries like New Zealand, Australia, Chile, Peru and Iceland, all the more beneficial to those countries. Chile has become China's largest supplier of fresh salmon, thanks to its zero-tariff market access compared with a 10% rate for imports from other origins, such as Norway.

Combined, the above five countries supplied \$1.72 billion worth of China's seafood imports in 2018, or 15%, according to Chinese customs figures.

By the same token, punitive tariffs of 25% for most US seafood products thanks to the ongoing US-China trade war, have decimated imports of US seafood. Tariffs on US shrimp broodstock and fishmeal were lifted in September of this year, however, as part of the first batch of tariff exemptions implemented by China.

### **2019 imports set to be higher**

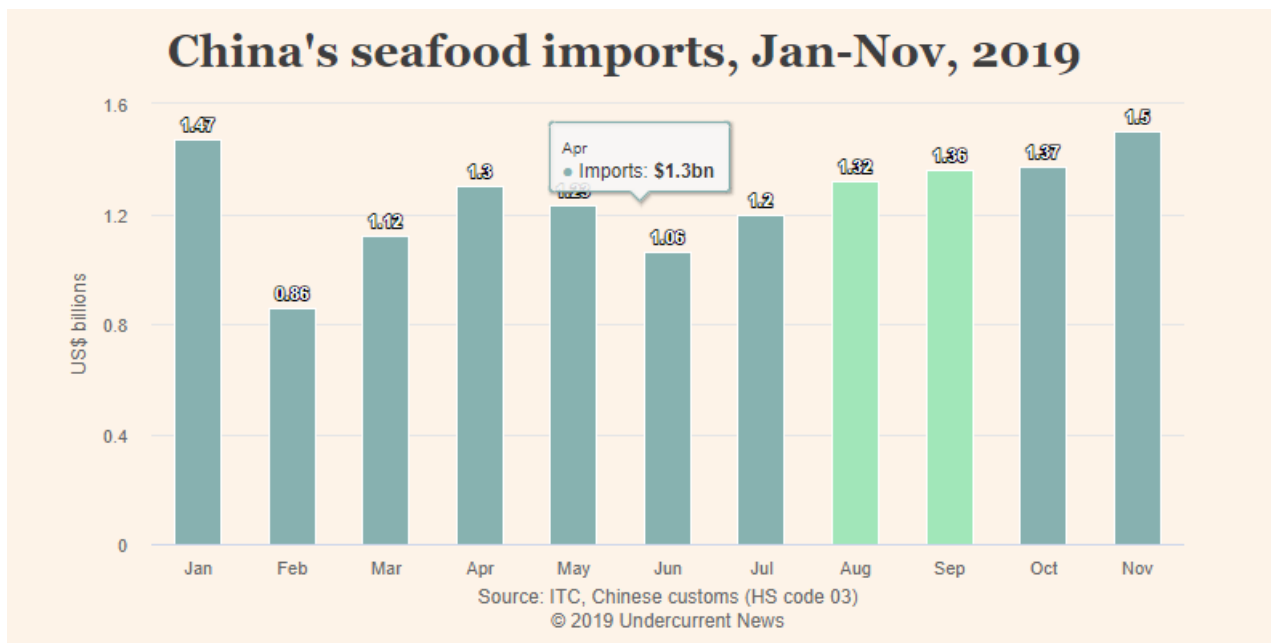
The focus on tariffs comes as Chinese consumers drive surging imports. In the first eleven months of 2019, China imported CNY 96.5 billion (\$13.77bn) worth of seafood products, up 36% compared with



the corresponding eleven-month period last year, according to the latest Chinese customs data.

The most recent month of November also broke previous monthly records, with imports of \$1.50bn, up 37% compared with November of last year (see chart).

The increase is both due to rising demand and China's crackdown on the gray trade of undocumented seafood imports from Vietnam into south China.



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