

Voluntary Report – Voluntary - Public Distribution

Date: April 08,2020

Report Number: CH2020-0051

Report Name: China Increases Export Tax Rebate Rates Again

Country: China - Peoples Republic of

Post: Beijing

Report Category: Agriculture in the News

Prepared By: Abraham Inouye

Approved By: Michael Ward

Report Highlights:

On March 17, 2020, the State Taxation Administration (STA) and the Ministry of Finance (MOF) announced that the export rebate rate would be increased for 1,464 HS codes, including some meat, fish, fruit, and wood products. The rebate was increased from 6 to 9 percent and 9 to 13 percent and went into effect on March 20, 2020.

General Information: On March 17, 2020, the STA and MOF made a joint announcement increasing the export rebate rate for 1,464 tariff lines effective March 20, 2020. The announcement includes 380 agricultural and agricultural-related items and increases the rebate rate from 6 percent to 9 percent. The list includes breeding animals (horse, cow, chicken, etc.), fresh or frozen meat and offal (including livestock and poultry), certain fresh or chilled fishery products (such as scabbard fish, yellow croaker, and butterfish), select fruit (grape, melon, fragrant pear, etc.), and a variety of nuts (hazelnut, Brazilian nut, and chestnut, etc.).

The remaining 1,804 tariff lines in the announcement have had their rate increased from 9 percent to 13 percent. Out of these 1,804 lines, there are only a few agricultural-related commodities, including plywood products and wood frames.

For a complete list of products subject to increased export rebate rates, please visit with the link [here](#) (list in Mandarin Chinese, by 8 digit HS code). For a link to the March 17 announcement, please visit the link [here](#) (announcement in Chinese).

China Increasing Export Rebate Rates to Stimulate Economy

In China, the export rebate system refunds a percentage of the total export value from the Value Added Tax (VAT) paid by Chinese importers and manufacturers. Historically, China has increased the export rebate percentage in order to stimulate exports. In 2020, China's economy slowed and is further weakened by the outbreak of coronavirus. In the first two months of 2020, China's exports fell sharply by 17.2 percent from the previous year, according to Chinese customs data.

This is the second increase to the export rebate since the U.S.-China trade frictions began. In November 2018, STA and MOF increased the export rebate rate for many products in order to support flagging Chinese exports affected by the trade friction between the United States and China. At that time, export rebate rates for many products (including most agricultural products) were increased by 1 percentage point. Notably, the Chinese government offered greater export rebate increases in 2018 for select agricultural products, including for fresh or chilled fish, frozen fish fillets or meat, select fruit (such as apples and pears), and tree nuts (walnuts, cashews, pine nuts, etc.), with their export rebate rate being increased from 5 percent to 10 percent. In addition, the export rebate rates for some wood products, such as certain plywood products, were increased from 9 percent to 13 percent. For a list of products subject to the 2018 export rebate changes, please see the link [here](#).

However, China eliminated export rebates for certain animal feed products during the 2018 adjustment, specifically soybean meal, to discourage export of domestically needed products. Please note that that products eligible for export rebates normally cover products on which the Value Added Tax has been collected.

Attachments:

No Attachments.