

CHAPTER 6

TAIWAN

TARIFFS

TARIFF STRUCTURE

* This particular case was included in light of the following concerns despite it being a trade or investment policy or measure that does not expressly violate the WTO Agreements or other international rules. For definitions of tariffs, tariff rates, binding ratio, and bound tariff rates, see Part II, Chapter 5.1.

<OUTLINE OF THE MEASURES>

The Customs Law, the Enforcement Regulations of the Customs Law, and related legislation provide for tariff rates, etc. MFN tariff rates are applied to products imported from Japan. In addition, free trade zones (airports, ports, etc.) stipulated in the Act for the Establishment and Management of Free Trade Zones, allow for the free distribution of goods within the area without import and export restrictions, and provide tax incentives (exemption from import duties, excise taxes, and business taxes).

The binding coverage on all products in Taiwan is 100% in 2022. In 2022, the simple average bound tariff rate for all products is 6.8% and that for non-agricultural products is 5.0%, but high tariffs exist on certain industrial products, such as motor trucks (maximum 25%), motorcars and small motor vehicles (maximum 17.5%), special purpose motor vehicles (maximum 30%), etc. And the simple average applied tariff rate of non-agricultural products in 2022 was 4.8%.

At the time of accession to the WTO in November 2002, a tariff rate quota system (see Part II, Chapter 5, 1 (.1) (2), Functions of Tariffs) was applied to motor vehicles, but this system was removed in 2011.

<CONCERNS>

As long as the high tariff itself does not exceed the bound rate, there is no problem in terms of the WTO Agreements, but in light of the spirit of the WTO Agreements that promotes free trade and enhances economic welfare, it is desirable to reduce tariffs as much as possible.

<RECENT DEVELOPMENTS>

With regard to the ITA expansion negotiations concluded in December 2015 to promote greater market access for IT products (see 2. (2) “Information Technology Agreement (ITA) Negotiation” in Chapter 5 of Part II for details), Taiwan began eliminating tariffs on 201 subject items in July 2016. For example, high tariff items include video recorders and players (14%), switching devices (12.5%), television receivers (10%), etc. Tariffs on all the subject items including these were eliminated by 2021.

In response to the spread of COVID-19, in February 2020, Taiwan reduced tariff rates on raw materials for medical alcohol

from 20% to 10% and temporarily exempted the 7.5% tariff rate on masks made of spun materials during the period from February to May of the same year in accordance with the Customs Law, Article 71. Subsequently, the tariff rates were restored to the previous rates in August 2023 and May 2020, respectively.

TRADE IN SERVICES

REGULATIONS IN THE TELECOMMUNICATIONS SECTOR

Refer to page 141 of the 2017 Report on Compliance by Major Trading Partners with Trade Agreements -WTO, FTA/EPA and IIA-.

