

WORLD TRADE ORGANIZATION

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**Working Party on the
Accession of Chinese Taipei**

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ACCESSION OF CHINESE TAIPEI

The following information concerning the draft proposals of Chinese Taipei's TRQ system and SSG scheme has been received from the Representation of the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu (hereinafter referred to as "Chinese Taipei").

[DRAFT]

Chinese Taipei's Draft Plan on Special Safeguard - May 1999

Chinese Taipei's SSG measures are structured according to Article 5 of Agreement on Agriculture, using either volume or price trigger for invoking the measures. The measures will be implemented according to the Article. The level of additional duty will be adjusted in conjunction with the annual adjustment in the out-quota rates.

Items Applied SSG

Chinese Taipei intends to apply SSG mechanism to the following items: peanuts, oriental pears, sugar, garlic bulb, betel nuts, meat of fowls, liquid milk, animal offal, red beans, dried shiitake, shaddock, persimmon, dried day lilies, and pork belly.

Trigger level and Duty Calculation

Trigger Volume

Trigger level will be set according to Article 5, paragraph 4, of the Agreement on Agriculture, Additional Duty to be imposed: One third of the out-quota rate in effect.

Trigger Price

Trigger Level. The trigger price will be the average of CIF prices in the years 1990-1992. As there is no import record for the products concerned, the CIF prices are determined in the same manner as that for the external prices for the purposes of determining tariff equivalent. Additional duty will be levied at any time the price difference is greater than 10% of the trigger price.

Additional Duty to be Imposed

Additional duty is to be calculated according to Article 5, paragraph 5 (b) (c) (d) and (e).

The Preliminary Calculation Sheet of Products Requesting Special Safeguard
(using price trigger)

Unit: NT\$/KG

Products	Trigger Price	Out-quota Tariff Rate	SSG Tariff Rate with Import Price Drop							Remark
			The Percentage Difference Between Import Price and The Trigger Price							
			11%	40%	41%	60%	61%	75%	76%	
Peanuts (in shell) and Peanuts Oil	18.1	49.0	49.1	50.6	50.7	52.4	52.6	54.3	54.5	
Peanuts (shelled)	11.8	75.0	75.0	76.1	76.1	77.2	77.3	78.5	78.6	
Oriental Pears	13.9	58.0	58.0	59.3	59.3	60.6	60.7	62.1	62.2	
Sugar US\$M.T.	319.7	537.0	538.0	565.8	567.4	597.7	600.0	631.3	634.2	
Garlic Bulb	9.7	32.0	32.0	32.9	32.9	33.8	33.9	34.9	34.9	
Betel Nuts	50.0	950.0	950.2	954.5	954.8	959.5	959.9	964.8	965.2	
Chicken Legs and Wings	30.0	64.0	64.1	66.7	66.9	69.7	69.9	72.9	73.1	
Other Chicken Cuts	42.0	40.0	40.1	43.8	44.0	48.0	48.3	52.4	52.8	
Liquid Milk	17.0	18.4	18.5	19.9	20.0	21.6	21.7	23.4	23.6	
Red Beans	14.4	27.0	27.0	28.3	28.4	29.7	29.8	31.3	31.4	
Dried Shiitake	207.7	434.0	434.6	452.7	453.7	473.5	474.9	495.3	497.1	
Shaddock	10.4	22.0	22.0	22.9	23.0	24.0	24.1	25.1	25.2	
Persimmon	23.4	34.0	34.1	36.1	36.2	38.4	38.6	40.9	41.1	
Dried Day Lilies	25.0	68.0	68.1	70.3	70.4	72.8	72.9	75.4	75.6	

Sources: Council of Agriculture, Executive Yuan, R.O.C.

Note: The SSG tariff rate with import price drop is calculated under the Special Safeguard Provisions, Agreement on Agriculture.

List of Item Applied Special Safeguard by Chinese Taipei (using price trigger)

Tariff Item Number			Product
12021000	15081000	15089000	Peanuts (in shell) and Peanuts Oil
20081110A	20081190A		
12022000	12089010A	12089020A	Peanuts (shelled)
20081110B	20081190B	20081990B	
08082010B			Oriental Pears
17011100	17011200	17019110	SUGAR
17019120	17019910	17019920	
17019990			
07032000A	07032000B	07129090A	Garlic Bulb
08029090A			Betel Nuts
02073910A	02074110A	02109090B	Chicken Legs and Wings
16023910 A			
02071010	02072100	02073910B	Other Chicken Cuts
02074110B	16023910B		
04011000A	04011000B	04012000A	LIQUID MILK
04012000B	04013000A	04013000B	
04029910A	04029920	19019023A	
19019029A	04029990A	04039090C	
04039090F	04039090H	04039090I	
07102900A	07133200	11061000A	Red Beans
20049000A	20055100A	20055900A	
21069099A			
07123030			Dried Shiitake
08059000A			Shaddock
08109090C			Persimmon
07129090B			Dried Day Lilies

Proposed Tariff Rate Quota (TRQ) Regime in Taiwan - System 2

[DRAFT]

Terms of Trade

Tariff Rate Quota (TRQ) allocation certificates will serve as automatic import licenses, in compliance with the Agreement on Import Licensing Procedures. All commercial terms of trade, including product specifications, origin, pricing, packaging, etc. will be at the sole determination of the parties engaged in the transaction. Partial shipments against a single allocation will be permitted. Traders may import any product or mixture of products subject to the same TRQ as noted in the schedule below. All products imported under the TRQ will be permitted to be distributed freely within Chinese Taipei without further trade-based restrictions. Allocation certificates will be freely transferable and tradeable, and certificate holders may have certificates reissued to combine or divide allocations.

Application

All applications for allocation of TRQ quantities will be submitted to the Ministry of Finance (MOF). Specific conditions for applying for a TRQ allocation will be published in the official journal sixty days in advance of the start of the application period. The application period for initial allocations shall be closed by 30 November of the previous year, unless the timing of accession necessitates a change in schedule for the first year. The application period for reallocations shall be closed by 1 September. MOF will grant allocations and publish and notify the names of recipients and allocations within two weeks of the close of the application period for the purpose of transfer.

Associated Fees

Any and all fees, charges, deposits, duties, etc. associated with the allocation process will be made explicit in the advance public notification process, and with the exception of ordinary customs duties and / or other charges as noted in the attached schedule, will be commensurate with the cost of the services rendered. No special performance or bid bond requirements will be instituted.

Consultation Mechanism

With a view to maintaining a transparent and open TRQ administration system, upon request from any WTO member, Chinese Taipei will consult with the member on administration of the minimum access quotas or TRQ to ensure an equitable distribution of allocations and complete quota utilization.

Allocation

Allocations will be made in a transparent, equitable and non-discriminatory manner.

Initial Distribution of allocations

Allocations will be established annually, and a ceiling of no more than 20 per cent of the total in-quota quantity may be established in advance and published as part of the allocation notification procedures. Allocations will be made through a competitive process. All applications for allocation of TRQ quantities need to bid and submit their bids by mail. Bids submitted are to be arranged in a priority order according to the premium of the bid, which is the amount a bidder is willing to pay to obtain the quota. Quotas will be allocated in this order until filled. In situations where some bids offer the same amount of premium and the quota available is not sufficient to fill each of such bids, the

quota will be allocated on a *pro rata* basis. Successful bidders for quota are required to obtain their allocation certificates by paying the premium within thirty days. Those who have not obtained their allocation certificates by this date will have their quotas re-allocated as unused quotas by the MOF.

Reallocation of unused allocations

By 1 September, the unused portion of the allocation will be reallocated. The date of re-issue shall be no later than 15 September. The re-issued allocations will be valid for products shipped by 31 December.

Proposed Tariff Rate Quota (TRQ) Regime in Taiwan - System 3

[DRAFT]

Terms of Trade

Tariff Rate Quota (TRQ) allocation certificates will serve as automatic import licenses, in compliance with the Agreement on Import Licensing Procedures. All commercial terms of trade, including product specifications, origin, pricing, packaging, etc. will be at the sole determination of the parties engaged in the transaction. Partial shipments against a single allocation will be permitted. Traders may import any product or mixture of products subject to the same TRQ as noted in the schedule below. All products imported under the TRQ will be permitted to be distributed freely within Chinese Taipei without further trade-based restrictions. Allocation certificates will be freely transferable and tradeable, and certificate holders may have certificates reissued to combine or divide allocations.

Application

All applications for allocation of TRQ quantities will be submitted to the Ministry of Finance (MOF). Specific conditions for applying for a TRQ allocation will be published in the official journal sixty days in advance of the start of the application period. The application period for initial allocations shall be closed by 30 November of the previous year, unless the timing of accession necessitates a change in schedule for the first year. The application period for reallocations shall be closed by 1 September. MOF will grant allocations and publish and notify the names of recipients and allocations within two weeks of the close of the application period for the purpose of transfer.

Associated Fees

Any and all fees, charges, deposits, duties, etc. associated with the allocation process will be made explicit in the advance public notification process, and with the exception of ordinary customs duties and / or other charges as noted in the attached schedule, will be commensurate with the cost of the services rendered. No special performance or bid bond requirements will be instituted.

Consultation Mechanism

With a view to maintaining a transparent and open TRQ administration system, upon request from any WTO member, Chinese Taipei will consult with the member on administration of the minimum access quotas or TRQ to ensure an equitable distribution of allocations and complete quota utilization.

Allocation

Allocations will be made in a transparent, equitable and non-discriminatory manner.

Initial distribution of allocation

Allocations will be established annually, and a ceiling of no more than 20 per cent for each segment may be established in advance and published as part of the allocation notification procedures. There will be one to four segments of quota allocation per year. In addition to the announcement made in the previous year on the total quantity of quota to be allocated, announcements will be made twenty-one days in advance of the start of the application period for each segment. All applications need to bid by mail in order to obtain their quotas. Bids submitted will be arranged in a priority order according to the premium of the bid, which is the amount a bidder is willing to pay to obtain the quota.

Quotas will be allocated in this order until filled. In situations where some bids offer the same amount of premium and the quota available is not sufficient to fill each of such bids, the quota will be allocated on a *pro rata* basis. Successful bidders for quota are required to obtain their allocation certificates by paying the premium within thirty days. Those who have not obtained their allocation certificates by this date will have their quotas re-allocated as unused quotas by the MOF. Allocation certificates will be valid according to information detailed in the public announcements.

Reallocation of unused allocations:

By 1 September, the unused portion of the allocation will be reallocated. The date of re-issue shall be no later than 15 September. The re-issued allocations will be valid for products shipped by 31 December.
