

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

Original: English

ACCESSION OF CHINESE TAIPEI

Responses to questions concerning document WT/ACC/TPKM/8 and 9

Corrigendum

The following corrections should be made to document WT/ACC/SPEC/TPKM/8:

- Page 8, Question 18: Delete;
- Page 12, Question 27, Should read:

" Question 27.

In the context of this scheme, commodity and business tax are exempted on exported goods. Are these exemptions specific to enterprises located in the zones?

Reply:

According to Section 2, Paragraph 1, Article 3 of the Commodity Tax Statute and Article 7 of the Business Tax Statute, exports can be exempt from commodity tax, and the business tax rate on exported goods is zero. These tax treatments are not specific to enterprises located in the designated zones, as they are generally available for exported goods, regardless of whether the manufacturers are located in the zones.

Question 27bis.

Do companies located in the zones have to meet any export obligations?

Reply:

There are no export obligations for companies located in the zones."

- Page 13, Question 31, paragraph 2 and 3: Should read as follows:

"Question 31.bis.

The selection criteria or the requirements that a firm must meet to locate in an EPZ may include *de facto* export/production requirements. The export/production ratio for EPZ enterprises is consistently high, 96 per cent in 1994 and 93 per cent in 1997.

Reply:

The export ratio of EPZ declined from 90.55 per cent in 1993 to 80.74 per cent during the Jan-July period of 1998, with the elimination of the limit on sales to the local

¹ English only.

market. This indicates the gradual decline in the export ratio following the amendment of the Statute for the "Establishment and Management of Export Processing Zones" just over a year ago. Since the amended Statute has only been enforced for a short time, a certain period of time is required to fully prove the effect of the revision. Therefore, the current high export ratio should not be viewed as indication of the existence of export subsidies. The calculation method after amendment is the percentage of export value/production value."

- Page 31, Attach VI to read as follows:

" OECD Export Credit Reference Rates (US\$)

per cent per annum.

1998	Less than or equal to 5 years	5 to 8.5 years	Greater than 8 years
1/15 2/14	6.74	6.77	6.83
2.15 3/14	6.38	6.42	6.53
3/15 4/14	6.43	6.49	6.60
4/15 5/14	6.57	6.61	6.71
5/15 6/14	6.65	6.58	6.66
6/15 7/14	6.61	6.63	6.72
Average	6.563	6.583	6.675