

**Expert Group meeting for Least Developed Countries
on the preparation for the
World Trade Organization Ministerial Conference,
Bali, Indonesia**

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China DFQF ROO

by

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The views expressed are those of the author and do not necessarily reflect the views of UNCTAD



Roo and Procedures

on Goods Eligible for DFQF

Steps in Implementing DFQF

- Gradual expansion in 2005,2007,2010
- 60% since 1 July 2010
- 95% since 1 July 2013
- Commitment for 97% in 2015

❖ Implementation - analysis

30 African LDCs

From start to 2010:

value of imports: \$ 1322 million

duty concessions: 868 million Yuan

Statistics of SPT for 30 African
LDCs, 2005-2010

Unit: million USD/Yuan

Year	valu e	duty concessions
2005	101	79
2006	253	183
2007	191	109
2008	165	105
2009	369	236
2010	242	156
Total	1322	868

❖ Implementation - analysis

30African LDCs

From start to 2011:

value of imports: \$ 867 million

duty concessions: 529 million Yuan

Statistics of Duty Free for 30
African LDCs, 2010.07-2011
Unit: million USD/Yuan

Year	value	duty concessions
2010. 07- 12	262	164
2011	605	365
Total	867	529

Imports from Africa- Analysis



1

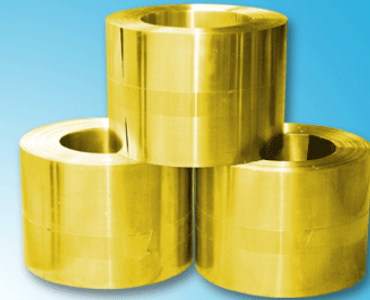
The majority of import are agricultural products, minerals and other primary products.

(sesame seeds, refined copper, goat skin leather, sisal and other textile fibers of the genus agave, cobalt wrought and articles thereof, cocoa beans)

2

The advantages of African products and demand in China are strongly complementary.

(2 examples: sesame seeds and refined copper)



3

Largest beneficiary countries: Ethiopia and Mozambique

(import value accounted for 38.5% and 15.0% of all 21 beneficiary African countries)



Goods Be Regarded As Originating

wholly obtained or
produced entirely
in the beneficiary
country

not wholly obtained or
produced entirely in the
beneficiary country ,
provided that the last
substantial
transformation has
been performed in that
country.

Substantial Transformation Criterion

1

**Ad Valorem Percentage or
(no less than 40%))**

2

**Change in Tariff Classification
(four-digit)**

3

Product Specific Rules (PSR)

Supplementary Rules

- ❖ Minimal operations or processes
- ❖ Sets
- ❖ Neutral elements
- ❖ Packaging materials and containers
- ❖ Direct consignment
- ❖ Operational Procedures

Direct Consignment Rule

- ❖ (a) goods are transported directly from the beneficiary country to ports of entry in China;
- ❖ (b) goods which are transported to China through a third country or region, for geographical reasons or by consideration related exclusively to transportation, with or without transshipment or temporary storage shall meet all 3 conditions :

3 Conditions

1

the goods do not enter into trade or consumption there; and

2

the goods do not undergo any operation there other than unloading and reloading or any other operation required to keep them in good condition; and

3

temporary storage of up to **3 months** in a third country or region shall be subject to customs control in such country or region.

Operational Procedures

- ❖ Certificate of origin
- ❖ Release of goods upon guarantee
- ❖ Verification
- ❖ Denial of preference

A Certificate of Origin Shall :

- ❖ be issued before or at the time of exportation of the goods;
- ❖ remain valid for **one year** from the date of its issuance;
- ❖ be completed in English;
- ❖ contain a unique certificate number;
- ❖ cover one or more goods under one consignment;
- ❖ comprise one original and three carbon copies, inclusive of duplicate, triplicate and quadruplicate.

Declaration:

Documentation Submission

Valid
Certificate
of Origin

The valid
original copy of the
certificate of
the origin
and the
duplicate
copy

Invoice

The **original**
commercial
invoice

The through
bill of lading
and
supporting
Documentation

provided by
the **customs**
in the third
country or
region

Supplementary Declaration



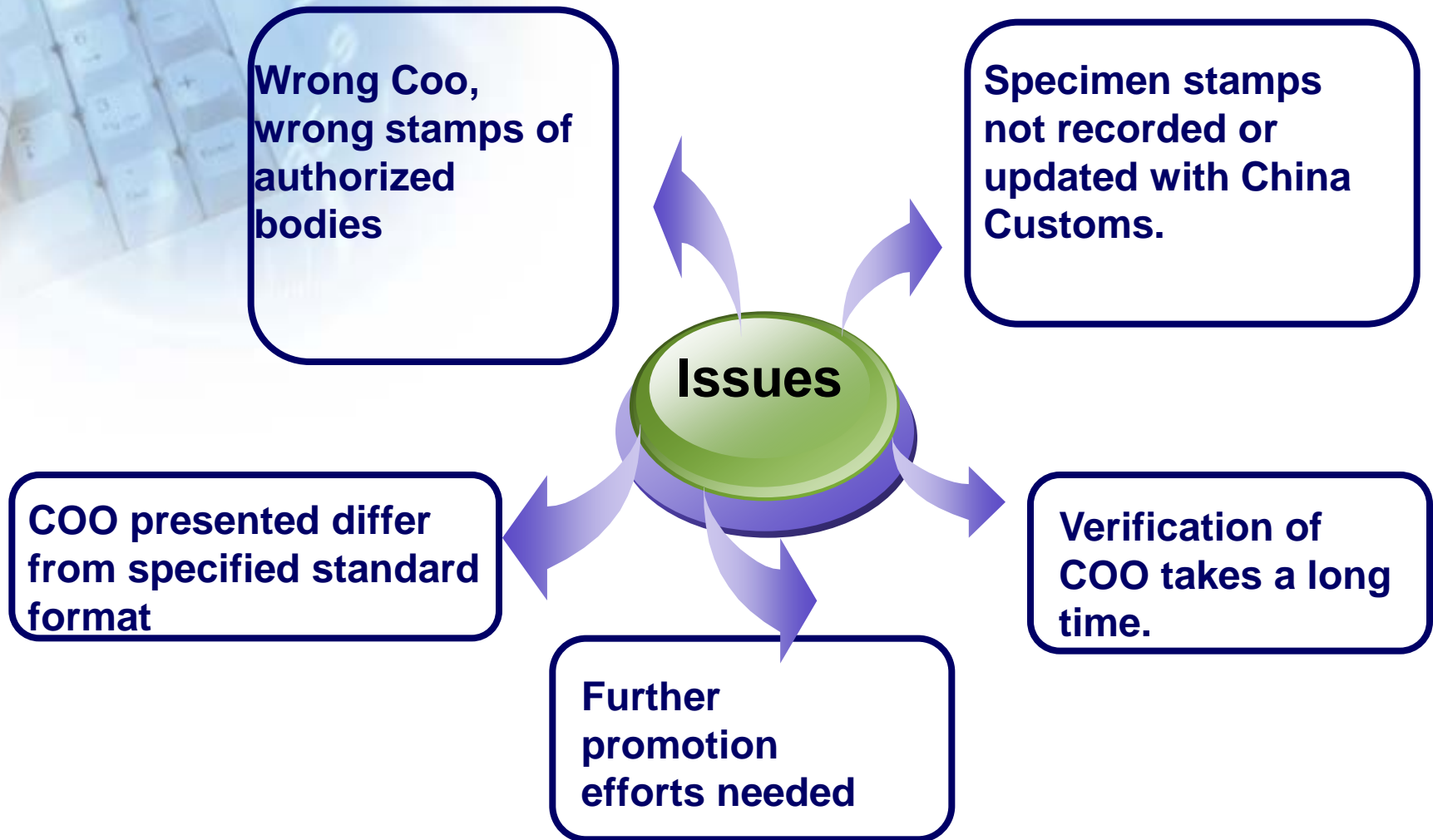
When the importer didn't submit a valid certificate of origin

Equivalent to the amount of duties and taxes to be liable based on the MFN rate, general tariff rate or any other tariff rates

(1) Within one year;

(2) otherwise, converted into import duties and taxes

Implementation of SPT - Issues





Thank You !

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