

Voluntary Report – Voluntary - Public Distribution

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Report Name: Taiwan Extends Tariff and Tax Cuts for Imported Agricultural Commodities till Year End

Country: Taiwan

Post: Taipei

Report Category: Agricultural Situation, Policy and Program Announcements, Agriculture in the News, Oilseeds and Products, Livestock and Products, MISC-Commodity, Grain and Feed, Dairy and Products

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Report Highlights:

On September 15, 2022, Taiwan announced the extension of tariff and tax exemptions for several agricultural commodities till the end of 2022. The tariff on beef and selective butter products and milk powder is reduced by 50 percent, the tariff on wheat and the business tax on imported corn, soybeans and wheat are waived. These measures have been in place since December 2021.

General Information:

On September 15, 2022, the government of Taiwan announced the extension of tariff and tax cuts on several agricultural and food commodities till the end of 2022. The measure is aimed at alleviating high commodity prices, ease the burden of operating costs for domestic businesses, and curb the impact of fluctuating food prices on households.

Since the government started this measure in December 2021, this is the fourth time it has extended the deadline. The tariffs and taxes changes for the following agricultural commodities and food ingredients are:

- The tariff on beef is lowered from NTD 10/kg (USD 0.32/kg) to NTD 5/kg.
- The tariff on wheat grains is reduced from 6.5 percent to zero.
- The tariffs on butter, anhydrous milk fat and milk powder for baking are 5 percent, 8 percent, and 10 percent respectively, effectively reducing the regular tariffs by 50 percent.
- The 5 percent business tax for imported corn, soybeans, and wheat is waived.

For these agricultural or food commodities, Taiwan relies heavily on imports for its supply. The prices of these commodities have shown signs of falling on the global market; however, the domestic price is still high and is expected to stay elevated over the short term before gradually easing. Therefore, the government decided to extend the measures for another three months until the end of 2022.

Overall, the local consumer price index (CPI) peaked in the second quarter of 2022 and cooled in August, with the CPI up 2.66 percent from a year earlier, compared with a 3.36 percent increase in July. The August figure was the lowest since February when the CPI stood at 2.33 percent. The average CPI for the first eight months of 2022 rose by 3.10 percent year on year.

Attachments:

No Attachments.