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The 2022 High-Level Forum for RCEP Economic and Trade Cooperation was held in Qingdao, Shandong Province, in July.

the Chinese mainland increased by 24.5 percent from the same period a year earlier, ranking first in export volume.

“Introducing zero tariffs when there is a large volume of trade will have the most significant effect on trade promotion,” said Masahiro Morinaga, chief delegate of the Japan External Trade Organization’s Chengdu office.

According to the RCEP, more than 90 percent of all merchandise traded in the region will eventually be subject to zero tariffs, an impetus for business celebrated by a growing number of companies.

Hao Zhiqiang, customs manager of Shandong Weihai Huanqiu Fishing Tackle Industrial Co, has just printed an RCEP declaration of origin, so that their clients from South Korea can be exempted from paying US\$1,570 in import duties for a batch of 500 fishing rods. Hao said the company issued more than 100 such certificates last year.

“Despite the gloomy foreign trade situation under the COVID-19 pandemic, the RCEP and favorable policies have helped our company increase exports by about 10 percent year on year,” Hao said.

Dealers in ASEAN countries have also lauded the easier access to the Chinese market enjoyed by an expanding list of agricultural products — from Cambodian rice and

Thai coconuts to Vietnamese passion fruit.

In early December, the Chinese cities of Chengdu and Chongqing welcomed direct trains loaded with durians, longans and other fruits from Thailand and Laos. Facilitated by the RCEP and an infrastructure boom, the Southeast Asian fruits can now reach southwest China faster and at lower prices.

Dinh Gia Nghia, deputy head of a food export company in Vietnam, estimated that in 2023, Vietnam’s fruit and vegetable exports to China may increase considerably thanks mainly to smoother transport, quicker customs clearance and more efficient and transparent regulations and procedures under the RCEP arrangement, as well as e-commerce development.

“The RCEP has become a launching pad for us to increase product output and quality, as well as the quantity and the value of exports,” said Nghia.

Optimizing industrial chain

Business insiders say the RCEP’s common rules of origin, which stipulate that product components from any member country would be treated equally, will increase sourcing options within the region and boost integration of the regional industrial and supply chains.

Guangxi Jingui Pulp & Paper Co, owned by Indonesia’s Asia Pulp & Paper Sinar Mas, said that raw materials such as wood pulp and starch imported from ASEAN countries have enjoyed preferential tariffs thanks to the RCEP. This has greatly reduced the company’s production costs.

“We are about to start a new production line that will double the company’s capacity to meet the increasing demand from both the Chinese and ASEAN markets,” said Zhou Ju, the Guangxi company’s logistics department director.

SAIC-GM-Wuling, a Chinese automobile manufacturer, said the RCEP has reduced tariffs for auto parts, facilitating the company’s production in Indonesia. The automaker’s Wuling Air EVs rolled off the production line in Indonesia last year, and were used as shuttle cars for the G20 Summit in Bali.

“Tariffs on the export of completed new-energy vehicles are relatively high, but by importing auto parts for local assembly (in Indonesia), we can enjoy the preferential rate of the RCEP,” said Qin Zhenjie, G20 project manager of SAIC-GM-Wuling’s Indonesian unit, adding that the company is expanding into the Southeast Asian market using this strategy.

Unified trade and investment rules under the RCEP will encourage



SAIC-GM-Wuling’s Wuling Air EV was the shuttle car for the G20 Summit in Bali, Indonesia, in November.

enterprises in member countries to leverage the strengths of local industries, leading to the optimization of supply and industrial chains in the region, said Zhai Kun, deputy director of the Institute of Area Studies at Peking University.

More investment will also flow into the region as businesses want to benefit from the RCEP’s tariff preferences, suggested Auramon Supthaweethum, director-general of the Department of Trade Negotiations under Thailand’s Ministry of Commerce.

The RCEP has come “at the right time,” as the pandemic weighs on the world economy and open trade remains important to post-pandemic recovery, she said, encouraging member countries to “benefit by working with China in the RCEP agreement.”

(Xinhua)