
China reduces export duties on molybdenum and tungsten

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China on June 22nd 2009 has revised and reduced the duties on exports of nonferrous metals from July 1st 2009. Molybdenum, tungsten and indium have become the objective items to reduce its export duties.

The amount exported from China in May 2009 had come to USD 88,758 million, which had a considerable fall of 26.4% from that in the same month of 2008 and sped up to shrink a scale of the exports from China following a large decrease of 22.6% in April. This revision of the export duties has been supposed as a countermeasure for the decreased exports.

In accordance with this revision, the duties imposed on exports of molybdenum and tungsten were 10% to 15% but are reduced to 5% from July 1st 2009. The classification of molybdenum as per the HS code 28-257000 has included molybdenum oxide and molybdenum hydroxide. The duty so far imposed on export of molybdenum oxide from China was 15% but new duty to be imposed on molybdenum oxide from July is reduced to 5%.

China suddenly increased to import molybdenum oxide from January of 2009 but, on the other hand, decreased considerably to export molybdenum oxide because of high duty. China imported 22,512 tons in material of molybdenum oxide in January to April of 2009 but exported only 1,804 tonnes in material of molybdenum oxide in the same period of 2009. A substantial fall of price for molybdenum oxide in the international market has caused to give an advantage to the cost to import molybdenum and, therefore, Chinese steel companies have moved to give a priority to the imports.

Consequently, the stocks of molybdenum accumulated in China have reached a large quantity and the business to mine molybdenum, which has been closely connected with local economy, has become the matter in question.

(Sourced form TEX Report Limited)

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