
Vietnamese cement makers want coal price increase delayed

Tuesday, 08 Apr, 2008

VietNamNet Bridge reported that Mr Nguyen Van Thien chairman of the Cement Association Council on March 25 sent a document to the prime minister of Vietnam, asking him to instruct the Vietnam Coal and Mineral Industries to delay the coal price increase plan.

Mr Thien said that in January 2008, Vinacomin raised the price of coal sold to cement producers by 70%. On March 25, Vinacomin once more asked to raise the coal price. The continuous coal price increases may lead to the price increases of a lot of commodities and services, threatening to make the current difficult situation worse.

He added that the 70% coal price increase in early 2007 alone made cement production costs increase by VND 30,000 per tonne. Meanwhile, cement producers also have to pay more for fuel, transport fees and import materials.

Mr Thien said that Vinacomin has called on the Vietnam Cement Corporation and other cement producers to go to Vinacomin's office to negotiate the new coal sale price. The coal producer has announced its intention to raise the coal dust price 4A.HC to VND1.150 million per tonne and 4B HC to VND1.1million per tonne.

According to the Cement Association, the new coal price levels will make the production costs of cement increase by another VND40 50,000 per tonne.

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