
China stands firm on energy price reforms

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China has reiterated that it would push forward with energy price reforms and use economic incentives to encourage energy saving in the world's second largest energy user.

According to the report, China has resisted raising pump prices for gasoline and diesel since November amid concern over inflation, even though nearly half of its crude oil demand is met by imports and crude costs have surged some 40% since the end of last year.

The National Development and Reform Commission said that “China would safely push forward with energy price reforms and choose a proper time to align prices of refined oil products as well as natural gas.”

NDRC added that “Differential power tariff policies should be implemented and preferential power treatment to energy intensive enterprises should be halted.”

Beijing has ordered local governments to stop providing favorable power rates to these sectors and even charge higher rates or stop power supplies during shortages to discourage expansion in energy intensive, polluting industries and those with excess capacity.

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