
Vietnamese tax hike on nickel concentrate to impact Jinchuan mining project

Tuesday, 29 Jul, 2008

Interfax China reported that Vietnam's recent decision to increase the tax levied on nickel concentrate exports to 20% will probably not have much effect on China's nickel industry, though some Chinese investments such as Jinchuan Group Limited's Ban Phuc project will be impacted.

Mr Liu Lei an analyst with Chinaccm.com said that "China currently has large stockpiles of nickel ore and as it mainly imports nickel ore from Indonesia and the Philippines, this tax hike will have little impact on China's nickel industry in the short run."

However, Jinchuan struck a deal in May 2008 with Toronto listed Asian Mineral, which is constructing the Ban Phuc nickel project in northern Vietnam, to purchase all nickel concentrate produced during the predicted five-year life span of the initial phase of the USD 81.5 million project. Asian Mineral also granted Jinchuan priority purchasing rights for additional output from the project.

It may be noted that Vietnamese government announced on July 16 that effective immediately, exports of nickel concentrate and nickel ore would be subject to a duty of 20 percent, up from the previous 15% tariff on nickel ore exports and 7% on exports of nickel concentrate.

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