
Vietnam to adjust coal price for cement, paper and fertilizer sectors

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It is reported that the Ministry of Finance of Vietnam has approved a plan to adjust step by step the prices of coal to cement, paper and fertilizer producers.

Ministry of finance of Vietnam on November 12th 2008 announced that it has accepted the plan for an increase in coal price drawn up by the Vietnam Coal and Mineral Industries Group.

The prices of coal dust to be sold to cement, paper and fertilizer producers will be raised to a level that will allow producers to cover production costs. The prices of coal lumps to be sold to phosphate and nitrogenous fertilizer companies will be raised to levels close to the production costs. The price increases will be carried out in the first half of November 2008.

In the next period, Vinacomin will be able to sell coal to cement, paper and fertilizer producers at market prices, commencing in the second quarter of 2009. Only the price of coal to be sold to electricity producers will be temporarily kept unchanged. When the price of electricity is adjusted, the coal price applied to electricity producers will also be adjusted in accordance with the electricity price adjustment itinerary.

According to Mr Nguyen Duc Chi chief of the Secretariat of the Ministry of Finance, the coal price adjustment applied to the three big coal consumers namely cement, paper and fertilizer producers should be seen as an important step in regulating coal pricing under the market mechanism.

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