
CCIA urges to lower export duty on coke

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China Coking Industry Association plans to suggest that provisional export duty on coke be lowered to 25% from current 40% or even be removed. The association has nailed down 6 recommended measures to help readjust industrial structure at a conference attended by coke associations in Shanxi, Hebei, Shandong and so on as well as major coke enterprises on November 19th 2008.

The measures include lowering coke export duties, raising deep processing products export rebates, subsidizing enterprises that supply civil gas, setting up price linkage mechanism for coking coal coke steel. An official from CCIA revealed that "The suggestions will be submitted to the State Council, and also some local governments."

CCIA also advised to pull down provisional export duty on chemical products to 5% from 15%, raise export rebates on chemical products to 10% and subsidize enterprises that provide civil gas to help maintain simple reproduction.

An official from Shanxi Coke Industry Association revealed that "Coking industry suffered losses of CNY 3 billion in September and October 2008, and 100,000 employees lost their jobs. Cost for coking coal accounts for more than 90% of coke price. If coking coal price stands higher than coke price for a long time, this will harm the development of the industries and the increase of government taxation."

CCIA also asked the government to support large and medium size coke enterprises strengthen obsolete capacity elimination, strictly control repeat, illegal and mild constructions and so on.

According to Shandong Coke Industry Association, the larger the enterprise is, the greater the loss will be. Coke price now lingers at CNY 1350-1450 per tonne but some small enterprises sell the product at CNY 890 per tonne.

Shanxi Coke Industry Association disclosed that it will shut down 100 enterprises by December 2008. It also urged not to approve new independent coke enterprises.

China raised provisional export duty on coke from 25% to 40% on August 20th 2008, the biggest hike in this year. The country's coke exports in Oct registered merely 530,000 tonnes.

(Sourced from MySteel.net)

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