
Vietnam steelmakers call for higher tariffs to curb imports

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Vietnamese steel manufacturers have asked the government to more than double import tax on finished steel to 20% from 8% to protect them from cheaper imports. The Vietnam Steel Association had last week proposed that the government should hike the tariff on steel billet from 2% to 5%.

Mr Pham Chi Cuong chairman of VSA said that producers in neighboring countries cut prices and pushed exports to reduce stocks that had piled up due to the global economic slowdown, which has crimped steel demand from manufacturers and builders. Demand in Vietnam has also dropped as the high bank interest rates hurt the construction industry.

A report last week in Phap Luat newspaper quoted Mr Cuong as saying that steel consumption had shrunk for a second consecutive month in October to less than 120,000 tonnes.

Vietnam had imported around 360,000 tonnes of steel by October 2008, mainly from China. Steel imports grew 57% to USD 6.1 billion in the first 10 months of the year.

Vietnam Steel Corporation increased prices by VND 500,000 to VND 700,000 a tonne to VND 10.6 to VND 10.7 million. Foreign manufacturers have priced their products at VND 50,000 to VND 100,000 dong higher than VSC.

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