
Vietnam may increase export taxes on coal

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Vietnam's ministry of finance and relevant offices are scheduled to submit final export tax rates to the chairman of the National Assembly yesterday for official approval.

In approving a higher maximum export tax rate for coal, however, the Standing Committee agreed with Mr Vu Van Ninh Minister of Finance argument that, with the nation project to begin importing coal during 2012 to 2015, it was illogical now to be encouraging coal exports. He said that coal producers have been encouraged to export by existing low tax rates, however, with domestic prices controlled to such major users as the electricity, paper, cement and fertilizer industries, which together make up 60% of national demand for coal.

Mr Ha Van Hien, chairman of the National Assembly's Economic Commission said that "Demand for coal for the electricity sector is high. If the nation continues to export coal as at present, it will eventually be forced to import coal at higher prices. He said that the application of export quotas to coal, in addition to higher export taxes.

Mr Nguyen Van Thuan, chairman of the National Assembly's Legal Commission, also said that the government to raise not only the ceiling but also the floor rates for export taxes, with many of these taxes still having a floor rate of zero. He supported higher export taxes on coal and mineral ores but argued against higher taxes on agricultural products, saying exports of the latter were to be encouraged, not discouraged.

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