
Pakistani domestic steel prices to go up on increase in withholding tax

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The Daily Times reported that the prices of steel products in Pakistan are likely to go up in the local market as a result of increase in withholding tax to 4% from 2% on imports.

Industry sources told Daily Times that “Because of the increase in WHT at import stage the prices are likely to increase by some PKR 1,000 per tonne to PKR 1,500 per tonne on GI, HR and CR, by July 1st 2009.”

The report added that PSM s has also increased its rates for plates.

As per report, the prices of galvanized steel, hot roll coils and cold roll coils steel products mainly on the weak demand and revision in import trade price by customs had been slashed by almost PKR 1,500 per tonne to PKR 2,000 per tonne some 45 days before. GI, HR and CR coils are currently being sold at rate of PKR 76,000 per tonne, PKR 52,000 per tonne and PKR 63,500 per tonne respectively.

An official of the Pakistan Re-rolling Mills Association said buyers were waiting for the steel prices to settle down, but now due to increase in WHT and contracting demand the sales of steel has plunged and the re-rolling mills were compelled to slowed down their operations. He added that major decline in construction activities has also lowered the demand of mild bars and sales of mild bars are badly affected.

(Sourced from the Daily Times)

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