

China lifts tax rebates to boost export



Containers are loaded onto delivery trucks after being taken off a cargo ship at Tianjin port in this June 2008 file photo. China announced on Monday a list of 3,770 items involved in the third export tax rebate increase this year. [Agencies]

China's Ministry of Finance announced on Monday a list of 3,770 items involved in the third export tax rebate increase this year.

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The items include labor-intensive, mechanical and electrical products. New export tax rebate rates on these items were also announced. The changes take effect December 1.

The announcement came four days after the State Council, or cabinet, said it would raise export tax rebates for the third time this year as part of the government's 4-trillion-yuan (\$571.4 billion) economic stimulus package.

Rises in tax rebate rates varied among different items. For example, the rate on tires was raised from 5 to 9 percent while glassware was up 5 to 11 percent. Rates on labor-intensive products such as luggage, shoes and umbrellas were elevated from 11 to 13 percent.

The 3,770 items accounted for 27.9 percent of the country's total exports, according to a statement posted on the government's website.

The statement said the government would also eliminate export duties on certain types of steel, chemical and grain products and reduce export duties on some fertilizer products, also effective December 1.

China raised export tax rebates in August and at the beginning of this month on a range of goods to shore up flagging exports.

Official data showed that October export growth slowed to 19.2 percent from 21.5 percent in September

China levies value-added tax on most products, but refunds varying amounts of that tax on goods that are exported. The government usually adjusts the size of export tax rebates for different types of goods when it is trying to encourage or discourage growth in particular industries.



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