

Removal of tax rebates not expected to cause export slump

The Ministry of Commerce (MOC) said Thursday that the scrapping of export tax rebates on some steel products does not signal any change in China's foreign trade policy and would not cause a sharp fall in China's exports.

Just this past Tuesday the Ministry of Finance said China would drop export tax rebates on 406 goods beginning July 15. The items included some steel products and non-ferrous metals, as well as some plastic, rubber and glass products.

The move aims to discourage exports of high-polluting and high-energy-consuming products and to reduce emissions. It is also part of the country's efforts to accelerate its economic restructuring, the MOC said.

The tax cut might weigh on the profitability of some companies in the short term, but it will not dent the strength of China's export recovery in the long run, as it affects just one percent of the country's total exports.

The removal of the rebate would also contribute to the healthy long-term growth of China's exports, the ministry said.

Source: Xinhua

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