

Duty on clinker to be waived

HÀ NỘI — The rising cost of cement has caused the Ministry of Construction (MoC) to push for a greatly reduced import tax on clinker.

The proposal recently made by the MoC to the Ministry of Finance would reduce the import tax on clinker from 10 per cent to zero.

Nguyễn Trần Nam, Deputy Minister of Construction, said the proposal to reduce import tax on clinker was made based on cement development planning efforts and analysis of changes on the cement market.

Việt Nam will have to import 3.5-4 million tonnes of clinker this year from countries outside ASEAN at the high import tax level of 10 per cent, because the clinker supply from ASEAN countries is limited.

Recently, the price of imported clinker has also been at a high level. Each tonne of imported clinker now costs VNĐ1 million. After adding other production costs, the price of each tonne of cement made from imported clinker is VNĐ1.4 million to VNĐ1.5 million (US\$93).

Currently, with the increasing price of many imported products including cement, the MoC believes it needs to change the import tax on clin-



Workers of the Bim Sơn Cement Co in Thanh Hóa Province load bags of cement. The fast-rising price of cement has caused the Ministry of Construction to call for a waiver on the import duty on clinker, a major raw material in cement production. — VNA/VNS Photo Anh Tuấn

ker to stabilise the cement market.

Nam noted that, "the reduction of the import tax on clinker will not affect the commitment of Việt Nam as a member of the World Trade Organisation."

Shortage will end soon

In recent months the price of cement in the HCM City market, which depends on the supply from the north and other import sources, has increased by around 70 per cent due to market shortages. However, experts such as Nam affirm the price hikes

caused by the shortages is a short-term situation.

The high price of imported clinker is considered to be one of the reasons causing the cement shortage and raising prices of cement domestically.

Cement companies nationwide are still managing to meet the demand of the country with only small producers having decreased productivity levels due to less access to the clinker supply than the big producers.

Although the price of cement on the retail market is now very high, the price at cement companies has been stable since

February. Big companies have committed not to increase the cement price before the end of June.

Since the middle of April, cement price in the HCM City retail market, including Hà Tiên cement and Holcim cement, has increased from VNĐ4,000 to VNĐ7,000 to around VNĐ65,000 (\$4) a bag.

The largest increase occurred at the beginning of May when the price of cement in the retail market in HCM City jumped to VNĐ80,000. In some stores, cement was sold at VNĐ100,000 a bag.

Although the price is high, there is such demand that not all of the consumers can buy cement.

Some consumers said that they have to go to many stores if they want to buy more than 10 bags.

Every year HCM City consumes 40 per cent of the domestically-produced cement but the city itself can meet only 27 per cent of demand. The rest is transported from the north and imported from other countries.

In the first four months of this year, demand for cement in HCM City had increased by 24 per cent over the same period last year. — VNS