

China

China to do away with export tax on steel products

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China will remove the export tax on steel products, the Ministry of Finance said on Friday, in a move likely to increase trade tensions. The country typically adjusts export tax levels at the end of each year, to either encourage or discourage exports.

Heavy outflows [of steel](#) from China have become a political issue in recent elections in Europe and the US, as the competition is blamed for loss of blue-collar jobs. The majority of Chinese steel exports flow to Asia and Africa, where they have displaced sales by local mills and Western steel conglomerates.

Removing the tax should make it easier for steel mills to export, since they can still make a profit even if overseas market prices are closer to Chinese prices. The Chinese steel sector is oversupplied, despite policies in recent years designed to force mills to retire idle capacity.

In 2017 the export tax on many steel products export tax was set at 15 percent while high-value steels including stainless steel, special steel and steel alloy were at 10 per cent. The export tax will be removed effective Jan. 1.

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