

China to cut import tax for rubber products

China, the world's largest rubber consumer, will cut import taxes on two types of natural rubber products for 2013, the finance ministry announced on Monday, in a move that could spur imports.

Import tariffs for smoked rubber sheets will be set at 20 percent of the value and capped at 1,200 yuan per tonne, the ministry said in a statement. The maximum tax was set at 1,600 yuan a tonne in 2012.

The tax rate for technically specified natural rubber (TSNR) will also be lowered to a maximum of 1,200 yuan per tonne in 2013, down from 2,000 yuan per tonne in 2012, the ministry said.

Still, the cut in import tariffs could weigh on domestic rubber producers as cheaper overseas supplies, combined with weaker demand at home and abroad, have already caused domestic stocks to surge.

China imported 2.1 million tonnes of natural rubber in 2011, up 13 percent from 2010, of which a majority came from Thailand, Indonesia and Malaysia.