
China to raise export tax rebates for textile, garment products

BEIJING, Oct. 21 (Xinhua) -- China is raising tax rebates for certain exports to help producers cope with smaller profit margins as a result of slacking market demand, the yuan's appreciation and rising production costs.

Those rebates will start Nov. 1, according to a circular on the web site of the Ministry of Finance (MOF) on Tuesday.

The adjustment involves 3,486 items from labor intensive industries such as textile, garment, toy, hi-tech and high added value sectors like anti-AIDS drugs and tempered glass. Those items account for 25.8 percent of what's covered by the country's Customs Tariffs.

The new rebates are classified into six categories: five, nine, 11, 13, 14 and 17 percent.

For example, the export tax rebate for some toys, textiles and garments will be raised to 14 percent. There will be a nine percent rebate for certain plastic products, 11 percent for daily necessities and porcelain artifacts, 11 and 13 percent for some furniture.

According to an unnamed MOF official, the rebates will ease operation pressure for export enterprises and enhance their competitiveness. He added the adjustment would also have a positive impact on the development of the national economy.

Because exporter industries will have more money as a result of the rebate increase, China is hoping they will be able to withstand the world's financial crisis.

The MOF official also said the additional money could be used to accelerate industrial upgrades at hi-tech enterprises.

The world's financial situation, rising production costs and a stronger Renminbi dented export growth of China's enterprises. From January to September export growth was down 4.8 percent from the corresponding period of last year.

Garment and accessory exports in the same period were 87.1 billion U.S. dollars, up 1.8 percent year on year. However, the growth rate was down 21.2 percent from the same period last year.

From January to July, toy exports stood at 4.18 billion U.S. dollars, up 2.1 percent from the same period last year but the growth rate fell 22.7 percent, according to the latest statistics from China Customs.