
China approves scheme on fuel taxation, pricing

BEIJING, Dec. 18 (Xinhua) -- China has approved a long-awaited scheme on fuel taxation and reform of the country's refined oil pricing mechanism, the country's economic planner said Thursday.

The State Council had decided to put the scheme into effect on Jan. 1, 2009, said the National Development and Reform Commission.

The country will annul six types of fees on road maintenance and management, and at the same time raise the gasoline consumption tax from the current 0.2 yuan each liter to one yuan per liter and diesel consumption tax from 0.1 yuan per liter to 0.8 yuan one liter, according to the approved scheme.

These details of the scheme are the same as stated in a draft, which was unveiled earlier this month to solicit public opinion.

The commission also said the country would slash the benchmark prices for fuel starting midnight Thursday, by 900 yuan (131.7 U.S. dollars) per tonne for gasoline and 1,100 yuan per tonne for diesel.

In the meantime, the benchmark prices for jet fuel would be lowered to 5,050 yuan per tonne, down 2,400 yuan from 7,450 yuan.

The commission explained that gasoline prices at the pump stations would be tuned down by 0.91 yuan per liter, from midnight Thursday, and diesel prices down by 1.08 yuan per liter.

It added that domestic fuel prices would remain unchanged on Jan. 1, 2009, when the fuel tax is expected to kick in.