

《中国准备取消稀土出口关税》

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China is preparing to scrap controversial tariffs and quotas on the export of rare earth materials after a World Trade Organization (WTO) panel branded them discriminatory earlier this year, a source with direct knowledge of the matter told Reuters.

China is responsible for more than 90 percent of global rare earth production, giving it a chokehold over the supply of 17 elements with a wide range of uses in high-tech sectors such as defence and renewable energy.

The move to comply with WTO rules would reflect a tactical adjustment for Beijing, but its long-term plan to improve pricing power and gain market share in lucrative downstream industries is expected to remain unchanged.

"The WTO decision does not change the strategy, just the means at China's disposal," said David Abraham, an independent resource analyst.

"The tools of the day are now taxes, exchanges and regulations to consolidate companies into a few champions."

After complaining that global market prices were too low to cover the huge environmental costs of production, Beijing imposed tough output quotas and export tariffs in 2010 as part of a wider crackdown on the sector. Exporters have paid a tax of 15-25 percent this year.

The measures saw prices jump threefold, but a WTO panel said in March that the tariffs violated trade rules by giving domestic consumers an unfair advantage over foreign competitors.

Despite appealing the decision, Beijing expects to have little choice but to accept the ruling and could cancel export restrictions on rare earth, as well as tungsten and molybdenum, by next year, an industry source with ties to the government said. He declined to be identified as he is not authorised to speak with media.

"They may be cancelled next year," the source said, adding that if the move goes smoothly, export quotas on other products could also be scrapped at a later stage.

Prices are likely to be supported by a change in resource taxes, with several pilot regions -- including Ganzhou in eastern China's Jiangxi province -- already preparing to shift.