

Cement Industry May Benefit from Further Support to Western China Development

An announcement was officially made lately by Ministry of Finance, General Administration of Customs, and State Administration of Taxation, claiming that enterprises in Western China will continue enjoying the favorable policy on income tax and tariff, with effect from 1st January 2011.

The announcement clarified that the covered companies in the Western China will enjoy a favorable income tax rate of 15% from 1st January 2011 to 31st December 2020. The covered companies are those with main business in the industries listed in *List of Encouraged Industries in Western China* and its revenue from its main business should reach at least 70% of its total income. The *List of Encouraged Industries in Western China* will be published separately.

Furthermore, amongst the encouraged domestic investment industries, encouraged foreign investment industries and competitive industries, the import of self-using equipments within the aggregate investment will be free from tariff under the related policy.

Some experts interpreted that it means some of the listed companies in Western China will continue enjoying the favorable taxation policies, which will have positive effect on their performances. They further pointed out that the infrastructure projects like transportation and water-related construction projects which are benefited from the foresaid favorable policies, will undoubtedly boost up cement demand, creating a prosperous picture for cement companies in Western China.

As per the announcement, the aforesaid western area includes Chongqing, Sichuan, Guizhou, Yunnan, Tibet, Shaanxi, Gansu, Ningxia, Qinghai, Xinjiang, Inner Mongolia and Guangxi, etc.

(Source: www.snsqw.com)