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The New York Time and Business Week report that China will be increasing the taxes on exports of rare earths next year. This comes after increasing restrictions on rare earths. Earlier this year, Yao Jian from China's Commerce Ministry said, "To protect the environment and natural resources, China will stick to the quota system to manage rare earth exports next year, and quotas will also decline." Yao recently said that the quotas have not yet been finalized.

With outstanding geopolitical issues like currency valuation, territorial disputes over the East and South China seas, human rights and more, China has been shown willing to use it's market power to pressure international governments.

According to official Xinhua news, From Jan. 1, 2011, China will adjust tariff rates on certain exports and imports and the changes have been approved by the State Council, or the Cabinet. The statement on the Ministry of Finance's website, however, did not specify what types of rare earth products would be included in the readjustment.

Meanwhile, Chinese Vice Premier Wang Qishan is co-chairing a meeting with US Commerce Secretary Gary Locke and Trade Representative Ron Kirk in the US to kick off annual trade negotiations.