
Viet Nam cuts import taxes on petroleum products

Viet Nam has started cutting import taxes levied on oil and petroleum products from today, the Ministry of Finance said.

As per a ministry circular issued on April 13, import tariffs on petroleum, diesel and kerosene were reduced to 20 per cent from the current 30 to 35 per cent.

Meanwhile, import taxes on fuel oil and jet fuel were cut from 35 per cent and 25 per cent to 25 per cent and 10 per cent, respectively.

A representative from the Finance Ministry said the adjustment of import tariffs was aimed at preventing an increase in domestic oil product prices when the country tripled the environmental protection fees on petroleum products from May this year.

Under the new regulation, the environmental protection fee will be raised to VND3,000 from VND1,000 for petroleum and jet fuel, respectively, and to VND900 to 1,500 per litre for diesel and fuel oil, respectively.

Earlier, the Civil Aviation Authority of Viet Nam had proposed to the Finance Ministry that it would reduce jet fuel import taxes to help ease the financial burden on the aviation sector, saying that prices of commercial jet fuel had dropped, while import taxes had risen to 25 per cent.

Besides, an increase in the environmental protection fee on petroleum products had also lead to an increase in the operational cost of airlines, it said.

Representatives from different airlines suggested that the Finance Ministry cut the import taxes levied on jet fuel imports to 7 per cent and allow them to count the environmental protection fee on prices of air fares to help tackle difficulties.

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