



## Auto part import tariff to be slashed in 2016

The Ministry of Finance has proposed to reduce import duty to zero percent for various automobile parts and spare parts by 2016.



According to the proposal, the new import duty rates will be applied to engines and other parts of automobiles with a cylinder capacity of under 2,000 cc, such as gearboxes, wheel blocks and electric lighters.

Auto engines imported from the Republic of Korea (RoK) will be subject to a much lower import duty rate (3 percent instead of current 20 percent) in 2016, equal to the rate committed in the Vietnam-Japan Free Trade Agreement.

In the meantime, other auto parts including gearboxes and wheel blocks will enjoy a duty rate of 5 percent instead of current 12-20 percent as planned. Particularly, electric lighters will enjoy a zero-percent import duty.

The ministry also proposed to **apply** zero-percent import duty on diesel engines, gearboxes, interior furniture and accessories of trucks from the RoK and Japan in 2016 instead of 2018-19 as planned.

The same duty rate will also be imposed on 12 tractor engine and gearbox categories imported from the RoK and Japan.

Source: [vietnamlawmagazine.vn](http://vietnamlawmagazine.vn)