



Sep. 27, 2019

Hangzhou Hanghua Harima Chemicals to Receive Full Exemption on Land-Use Tax

HARIMA CHEMICALS GROUP, INC.

On September 12, 2019, the Xiaoshan Daily newspaper released the 2018 annual ranking of companies operating in the Xiaoshan Economic and Technological Development Zone (located in Hangzhou, China), which achieved superior business efficiency. Hangzhou Hanghua Harima Chemicals Co., Ltd. ranked 1st among the 79 companies dealing in printing, dyes and chemical materials and which registered annual sales of over RMB 20 million. As a result, Hangzhou Hanghua Harima Chemicals will be fully exempted of the due annual land-use tax. Our local subsidiary ranked 5th in the same top in 2017, which leads to a double exemption of the said tax, totaling RMB 95,000 per year, in 2019 and 2020, respectively. This ranking is based on such factors as superior profits relative to the size of the land area utilized, tax payment responsiveness, labor efficiency, environmental activities and the like.

The main driver behind Hangzhou Hanghua Harima Chemicals' positive business results in the interval January-December 2018 was a significant increase in the sales of PAM dry strength agents used to improve the quality of paperboard. The second semester of 2018 in particular saw a shortage in local supply of acrylonitrile, together with a tax addition of 25% on used paper imported from USA starting in August (triggered by the trade friction with China), which in their turn caused imports of used paper from countries like Japan to rise and demand for PAM dry strengths agents to grow exponentially.

Harima's paper chemical business in the region has been carried out by Hangzhou Hanghua Harima Chemicals and its subsidiaries, South China-based Dongguan Hanghua Harima Paper Chemicals and North China-based Shandong Hanghua Harima Chemicals, the latter being in operation from December 2018. Focused on delivering cost-efficient and stable supply of high quality products, we will continue to expand our operations and provide innovative business solutions to our local customers.

Hangzhou Hanghua Harima Chemicals - company outline

Head Office/Plant location: No. 87 Hongda Road, Qiaonan-Qu, Xiaoshan Economic and Technological Development Zone, Hangzhou, Zhejiang 311231

Capital: US\$ 680,000

Capital contribution: Harima Chemicals Group, Inc.: 56%, Hangzhou Research Institute of Chemical Technology: 44%

Products: PAM dry strength agents, PAE wet strength agents, rosin EM sizing agents, surface sizing agents, printability improving agents

Harima's paper chemical companies in China

East China

Hangzhou Hanghua Harima Chemicals Co., Ltd.

South China

Dongguan Hanghua Harima Paper Chemicals Co., Ltd.

Operations start: February 2011

Products: PAM dry strength agents, surface sizing agents

North China

Shandong Hanghua Harima Chemicals, Co., Ltd.

Operations start: December 2018

Products: PAM dry strength agents, PAE wet strength agents, printability improving agents

Reference data

Annual production volume of paper and paperboard in China (Unit: million tons)	
Total	143.5
East China	31.56
South China	29.71
North China	27.25

Contact

Public Relations, Harima Chemicals Group, Inc.

URL: <https://www.harima.co.jp/en/inquiry.php>