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POLICY

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New Import Tariff Reduction on Wood

Report Categories:

Trade Policy Monitoring

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Report Highlights:

TH5051 - On 29 December, 2014, the Ministry of Finance (MOF) issued a Notification in the Royal Gazette detailing the preferential duty reduction schedules under Section 12 of the Customs Tariff Decree B.E. 2530 for imported wood products (Harmonized Code 44). The import duties for those listed wood products were reduced to zero and became effective in December 30, 2014.

General Information:

U.S. Exporters to Benefit from Import Tariff Reductions on Wood

On December 29, 2014 the Ministry of Finance (MOF) issued a Notification in the Royal Gazette detailing the preferential duty reduction schedules under Section 12 of the Customs Tariff Decree B.E. 2530 (“Section 12”) for imported wood products (Harmonized Code 44). The import duties for those listed wood products were reduced to zero and became effective on December 30, 2014. The reduction of import duty aims to enhance the ability of wooden furniture and wooden products manufacturers to compete in the export market and be ready for the ASEAN Economic Community (AEC), which will go into effect December 31, 2015.

In 2014, Thailand’s total import value of hardwood lumber was \$262,000, in which \$27,000 originated from the United States. These imported wood products included the following harmonized codes 440349, 440721, 440722, 440729, 440791, 440792, 440793, 440794, 440795, and 440799. The major tropical hardwood suppliers to Thailand were Malaysia, Myanmar, and Laos with total exports valued at more than \$220,000. For softwood, total imports were valued at nearly \$71,000. New Zealand was the largest supplier of wood products with 79% of the market followed by Brazil (14.5%), Chile (11.85%), Canada (9.27%), Australia (8.52%), and the United States (4.41%).

The Thai Furniture Industry Association and Thai Timber Association will continue to prod the government to reduce import tariffs on imported planed, sanded or end-jointed wood from 5% to 0%. The associations will also push the government to allow Thai companies to export and re-export wood (not furniture or wooden products forms) to overseas markets at low export tax rates if it can be certified the trees were harvested or imported legally. Recently, Thailand began allowing export of hevea wood, a few species of coniferous wood and bamboo wood at 0% export tax.

The following table illustrates the wood products affected by the recent changes in import duties. (zero import duty):

Harmonized Code	Description	
4403.10.10	- - Baulks, sawlogs and veneer logs	0
4403.10.90	- - Other	0
4403.20.10	- - Baulks, sawlogs and veneer logs	0
4403.20.90	- - Other	0
4403.41.10	- - Baulks, sawlogs and veneer logs	0
4403.41.90	- - Other	0
4403.49.10	- - Baulks, sawlogs and veneer logs	0
4403.49.90	- - Other	0
4403.91.10	- - Baulks, sawlogs and veneer logs	0
4403.91.90	- - Other	0
4403.92.10	- - Baulks, sawlogs and veneer logs	0
4403.92.90	- - Other	0

4403.99.10	- - Baulks, sawlogs and veneer logs	0
4403.99.90	- - Other	0
4404.10.00	- - Coniferous	0
4404.20.10	- - Chipwood	0
4404.20.90	- - Other	0
4405.00.10	- - Wood wool	0
4405.00.20	-- Wood flour	0
4406.10.00	- - Not impregnated	0
4406.90.00	- - Other	0
4407.10.00	-- Coniferous	0
4407.21.90	-- Other	0
4407.22.90	-- Other	0
4407.25.19	-- Other	0
4407.25.29	-- Other	0
4407.26.90	-- Other	0
4407.27.90	-- Other	0
4407.28.90	-- Other	0
4407.29.19	-- Other	0
4407.29.29	-- Other	0
4407.29.39	-- Other	0
4407.29.49	-- Other	0
4407.29.59	-- Other	0
4407.29.69	-- Other	0
4407.29.79	-- Other	0
4407.29.89	-- Other	0
4407.29.92	-- Jongkong (<i>Dactylocladus</i> spp.) and Merbau (<i>Intsia</i> spp.), other	0
4407.29.99	-- Other	0
4407.91.90	-- Other	0
4407.92.90	-- Other	0
4407.93.90	-- Other	0
4407.94.90	-- Other	0
4407.95.90	-- Other	0
4407.99.90	-- Other	0

End Report.