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Cotton and Products

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Report Highlights:
MY 2003/04 cotton production is forecast to increase slightly with continued reduction in planted areas. Cotton consumption will likely increase in response to expected healthy export demand for cotton-content textile products. However, import demand for cotton is expected to increase slightly. As for cotton yarn and fabric, production and consumption will likely slowdown. Also, exports are forecast to increase slightly. Cotton yarn imports, on the other hand, will likely decline.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
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Executive Summary

In MY 2003/04 cotton production is estimated to increase slightly to 14,600 metric tons with continued reduction in planted areas, as compared to the previous year's sharp contraction of production to 14,100 metric tons. MY 2003/04 cotton consumption is forecast to increase in response to expected healthy export demand for cotton-content textile products. However, raw cotton imports in MY 2003/04 are forecast to increase slightly from the previous year's contraction levels despite anticipated growing consumption of cotton by most spinners, and a drawdown in beginning stocks, due to an upward pressure of global cotton prices.

As for Thai cotton yarn and fabric in CY 2003, production and consumption will likely slow down from the previous year's healthy growth, following unfavorable export demand for textile products. Exports of cotton yarn and fabric are forecast to increase only slightly due mainly to the sluggish demand from major importing countries. Also, cotton fabric imports is expected to slow down in line with export demand for garments. However, imports of cotton yarn will likely decline due to high levels of stocks and competitive prices of domestic yarn.

Section I: Situation and Outlook

1. Upland Cotton

1.1 Production

In MY 2003/04 cotton production is forecast to increase slightly from the previous year's sharp reduction to 14,100 metric tons. However, planted area will likely continue to decline as farmers shift their land to other competing crops like corn and tapioca. Average yields are expected to increase, given normal weather conditions, as transgenic seeds are still pervasively used among farmers despite the Thai government ban on every GMO crop, even for field tests. In CY 2002/03 cotton production declined sharply in line with a sharp reduction in planted area due to depressed prices of cotton in the previous marketing year. Also, average yields dropped in response to unfavorable conditions.

The Office of Agricultural Economics estimate of cotton production cost in MY 2002/03 declined slightly to US$ 458.69 /hectare, of which 95 percent are variable costs. However, the average cost of harvested seed cotton before ginning was 15.69 baht/kg (roughly 17 US cents/pound), up from 14.92 baht/kg (roughly 16 US cents/pound) in the previous year, due to a drop in average yields. Farmgate prices of cotton seed rebounded to around 21 baht/kg (roughly 23 US cents/pound in the first quarter of CY 2003, as compared to 11.65 baht/kg (roughly 12 US cents/pound in the same period of the previous year line with global cotton prices.

1.2 Consumption

In MY 2003/04 raw cotton consumption will likely increase in line with export demand for cotton yarn, cotton fabric, and other cotton-content textile products, following the anticipated stable economic environment in global economy. Cotton consumption in MY 2002/03 slowed down from the previous year due mainly to sluggish export demand of cotton yarn and fabrics in the second half of MY 2002/03 as a result of concerns over the outbreak of Severe Acute Respiratory Syndrome (SARS) in China, Hong Kong, and Singapore which were major markets for cotton yarn. However, according to the Department of Industrial Promotion, the estimate for the number of spindles continued to grow in CY 2002 in line with domestic consumption of cotton-content textile products. Also, the ongoing relatively cheaper prices for raw cotton against synthetic fibers encouraged several spinners to increase production of cheap value cotton yarn (CVC) which is a blend of 50 percent cotton and 50 percent synthetic fiber at the expense of T/C yarn, which is a blend of 65 percent synthetic fiber and 35 percent cotton.

The structure of cotton demand in Thailand in 2003 remains unchanged from the previous year. About 65 percent of total cotton utilization belongs to medium-count-yarn staple cotton, with the staple lengths of 1 3/32" to 1 1/8". The balance goes to coarse-count-yarn staple cotton (around 30 percent) and fine-count-yarn staple cotton and extra long staple cotton (5 percent).

1.3 Trade

Thailand depends on imported cotton to meet demands from the textile industry due to limited domestic supplies. MY 2003/04 raw cotton imports are forecast to increase only slightly from the previous year's contraction level despite anticipated growing consumption of cotton by most spinners, and a drawdown in beginning stocks, due to an upward pressure of global cotton price. In MY 2002/03 raw cotton imports will likely decline to 380,000 metic ton, as compared to the previous year's exceptional high imports of 451,789 metric tons. The contraction is result from a slowdown in cotton consumption and high levels of stocks. Trade sources reported that some spinners held stocks up to 12 months of use due to the previous year's attractive low global cotton prices and initial expectation of promising end-use demand.

Thailand's demand for imported cotton is price and quality sensitive due to the export-oriented nature of Thai textile industry. Spinners have to maximize the quality of their cotton yarn by mixing particular strengths of cotton from various high quality cotton producers like the U.S., Australia and West African countries. Trade sources reported that the quality of raw cotton from the U.S. and Australia is quite the same, but the quality control of Australian raw cotton seems to be better due to its smaller crop sizes, as compared to that of the U.S. Also, West African cotton's quality is acceptable but ginning quality control lags behind the U.S. and Australia. As indicated in Table 3, in the first 8 months of MY 2002/03 (Aug 2002- Mar 2003), the U.S. market share declined to 24 percent as compared to 39 percent in the corresponding years. Meanwhile, the share of Australian cotton rebounded to 23 percent from the previous year's market share of 19 percent.

According to trade sources, the C&F price quotation for SJV growth cotton (SM 1 1/8"), which is the most popular U.S. cotton imported into Thailand, for July/August shipment are currently about 57 US cent/pound, up slightly from the previous year's quotation of 52 US cent/pound, but U.S. cotton is still competitive, as compared to the similar quality Australian Andy cotton which is quoted at around 58-59 US cent/pound. Meanwhile, m/o/t growth cotton is now quoted at 55 US cent/pound, against 59 US cent/pound for West African cotton.

The U.S. supplied a wide range of staple lengths, from short staple to extra long staple. The most popular U.S. cotton imported into Thailand is SJV variety cotton, followed by Memphis varieties (mainly m/o/t growth) and C/A. SJV cotton is considered the most superior medium-count staple cotton due to its strength and low contamination. Trade sources reported that at the moment, there was no serious incidence of "honey dew" contamination in the shipment of SJV cotton into Thailand in MY 2002/03.

Thailand also exports raw cotton from its domestic supplies. The exports of cotton in MY 2003/04 are estimated to decline further from the previous year, following the low level of domestic production.

1.4 Policy/Marketing

The Thai government policy on cotton production, tariffs and non-tariff barriers remains unchanged. The authorities have not subsidized cotton prices or production. Also, import duties for raw cotton have been zero for several years.

The USDA's GSM-102 Export credit Guarantee Program in Thailand, which covers cotton and cotton products, remains inactive as the domestic interest rates are still lower than the lending rates obtained from the GSM program.

Cotton Council International (CCI) works closely with Thai spinners and textile producers to promote the use of the U.S. cotton, who satisfied with CCI's market activities. The Cotton USA Mark licencing campaign is gaining popularity among Thai textile producers. Some consumers are aware of U.S. cotton-made products, in particular for babywear which accounts for about 20 percent of domestic garment market. Trade sources suggested that Cotton U.S.A. marks should contain some description about the superior quality of U.S. cotton. This could support the current CCI's marketing strategies on consumer awareness of the use of U.S. cotton.

2. Value-added Cotton

The textile industry is one of the most important export-earning industries, earning US$ 5.15 billion in CY 2002 (8 percent of the country's total exports). About three-quarters of textile workers are in the clothing industry, with the balance working in the spinning, weaving, knitting, and dyeing and printing operations.

In CY 2002 domestic cotton and imported cotton was purchased and used by 150 spinning mills in Thailand, which operate about 4.0 million spindles. Products from those mills include cotton yarn (mostly 100% cotton), T/C yarn (blended yarn containing about 65 polyester and 35% cotton), and CVC yarn (cheap value cotton yarn). Spun yarn, both weaving and knitting yarn, is sold domestically for fabric weaving or knitting, and/or is exported. Several spinners also operate weaving/knitting factories. About 670 weaving factories and 660 knitting factories are manufacturing cotton fabrics and other fabrics, and sell them domestically and/or internationally.

Thailand's textile manufacturers are facing a strong challenge for their survival for years to come, due to the impact of a reduction in import duties among ASEAN member countries and of a global liberalization for the trade of textile products by January 2005. The Thai Garment Manufacturers Association estimate of the impact of global textile trade liberalization pointed out that no less than 30 percent of 1,500 garment factories could shut down after the removal of textile quotas in importing countries. Meanwhile, other producers continue shifting to the production of quality apparel in order to survive from strong competition from major competitors, especially China. Trade sources reported that Thai textile exports could be threatened by cheaper emerging manufacturing countries like China, Indonesia, Vietnam, India.

2.1 Cotton Yarn

2.1.1 Production

Cotton yarn production (excluding T/C and CVC yarn) in CY 2003 will likely slow down from the previous year's healthy growth, due mainly to unfavorable export demand for textile products in the first half of the year. Trade source reported that most Thai spinners are currently faced with high level of stocks.

At present Thai spinners produce a wide range of cotton yarn, including coarse count yarn (#20's and lower), medium count yarn (#30's - 40's), and fine count yarn (#50's and up). Also, some spinners are now producing high-quality fine cotton yarn in such categories as #80's - 100's.

2.1.2 Consumption

About 90 percent of cotton yarn production is normally used domestically for weaving and knitting, while the balance is for export. Domestic sales of cotton yarn in CY 2003 are forecast to slow down, following sluggish export demand for fabrics and garments in the first half of the year. Trade sources reported that garment exports are adversely affected by the outbreak of SARS in some Asian countries. As a result, some buyers avoided doing business with these countries, even Thailand in which there is no report of the SARS outbreak.

2.1.3 Trade

Thailand is both an exporter and importer of cotton yarn. Exports of cotton yarn in CY 2002 increased significantly to 34,511 metic tons. China is Thailand's largest importer of cotton yarn, amounting to 8,243 metric tons in CY 2002 (24 percent of total export of Thai cotton yarn), followed by South Korea (10 percent) and Hong Kong (9 percent). Cotton yarn exports in CY 2003 will likely increase further, but at a decreasing rate mainly in response to the unfavorable economic conditions in the major importing countries adversely affected by SARS.

Imports of cotton yarn will likely decline further in CY 2003 due mainly to the high levels of stocks and competitive prices of domestic cotton yarn. In CY 2002 cotton yarn imports continued to drop by 11.1 percent from the previous year. However, imports of cotton yarn from China increased significantly in response to its competitive prices.

2.2 Cotton Fabrics

2.2.1 Production

Thailand's fabric production in CY 2003 is expected to slow down due mainly to the current high levels of stocks. In CY 2002 cotton fabric production increased by 10 percent as several producers switched their production from less profitable synthetic fabric to cotton fabric. Trade source reported that about 60 percent of cotton fabric is woven fabric, while the balance goes into knitted fabric.

2.2.2 Consumption

In CY 2003 cotton fabric consumption will likely decelerate from previous years, mainly in response to unfavorable export demand for textile products. In CY 2002 cotton fabric consumption increased significantly by 12.5 percent.

2.2.3 Trade

Like cotton yarn, Thailand is both and exporter and importer of cotton fabric. Most exported cotton fabric is as unfinished products. Exports of cotton fabric in CY 2002 amounted to 38,389 metric tons, recovering from the previous's year contraction level of 36,373 metric tons. The U.S. is the largest's importer of Thai cotton fabrics, amounting to 9,407 metric tons in CY 2002 (24.5 percent of total cotton fabric), followed by European countries like Germany (9.5 percent) and Belgium (5.7 percent). In CY 2003 cotton fabric exports will likely slow down due mainly to the unfavorable economic condition in the U.S. However, exports to the EU are expected to increase further due to a depreciation of the Thai Baht against the Euro.

Also, Thailand imports cotton fabric from other producing countries, in particular China, Hong Kong, Japan and Indonesia. Most imported cotton fabric are high quality items which are mainly from Japan and Hong Kong. The high-end products are mostly used by export-oriented garment factories. Meanwhile, imports of cotton fabric from China and Indonesia are mainly used for domestic-oriented garment production. In CY 2002 cotton fabric imports increased by 14.5 percent to 26,556 metric tons. China was the largest supplier of cotton fabric for Thailand, amounting to 15,422 metric tons in CY 2002 (58.1 percent of total imports of cotton fabric). Import growth of cotton fabric in CY 2003 are estimated to decelerate in response to the unfavorable export demand for garments.

Section II: Statistical Tables

Table 1: Thailand Production, Supply and Demand for Raw Cotton

PSD Table						
Country	Thailand					
Commodity	Cotton				(HECTARES)(MT)	
	2001Revised		2002Estimate		2003Forecast	
	USDA Official[Old]	Post Estimate[New]	USDA Official[Old]	Post Estimate[New]	USDA Official[Old]	Post Estimate[New]
Market Year Begin	08/2001		08/2002		08/2003	
Area Planted	0	0	0	0	0	0
Area Harvested	49000	48500	20000	35000	0	33300
Beginning Stocks	84913	83423	135426	156814	116919	133114
Production	21990	22000	9798	14100	0	14600
Imports	447864	451789	413680	380000	0	400000
TOTAL SUPPLY	554767	557212	558904	550914	116919	547714
Exports	218	4548	1089	1500	0	1000
USE Dom. Consumption	413680	390000	435453	410000	0	440000
Loss Dom. Consumption	5443	5850	5443	6300	0	6600
TOTAL Dom. Consumption	419123	395850	440896	416300	0	446600
Ending Stocks	135426	156814	116919	133114	0	100114
TOTAL DISTRIBUTION	554767	557212	558904	550914	0	547714

Table 2: Farm Gate Prices for Seen Cotton

Prices Table			
Country	Thailand		
Commodity	Cotton		
Prices in	Baht	per uom	Kilogram
Year	2002	2003	% Change
Jan	11.52	20.98	82.12%
Feb	11.75	21.50	82.98%
Mar	11.67	n.a.	-100.00%
Apr	0	n.a.	
May	0	n.a.	
Jun	0	n.a.	
Jul	0	n.a.	
Aug	0	n.a.	
Sep	0	n.a.	
Oct	14.97	n.a.	-100.00%
Nov	16.83	n.a.	-100.00%
Dec	19.84	n.a.	-100.00%
Exchange Rate	42.19	Local currency/US $	
Date of Quote	05/22/03	MM/DD/YYYY	

Table 3: Thailand's Raw Cotton Imports

						Unit: Metric Ton
	1998/99	1999/2000	2000/01	2001/02	2001/02	2002/03
	Aug/Jul	Aug/Jul	Aug/Jul	Aug/Jul	Aug/Mar	Aug/Mar
United States	20,328	59,544	49,030	191,693	101,858	69,158
Argentina	5,797	3,892	6,475	4,534	4,332	232
Australia	71,528	90,041	118,568	90,530	50,118	65,815
Benin	10,011	9,900	9,443	10,886	4,708	10,016
Brazil	427	443	1,405	8,609	8,115	4,703
Chad	4,745	1,783	259	658	159	0
China	14,871	39,893	4,405	2,499	616	29,497
Cameroon	N/A	N/A	10,605	11,041	9,244	10,643
Egypt	2,204	4,183	4,377	3,280	2,272	2,590
Ivory Coast	9,854	10,330	11,943	8,692	3,728	4,697
India	420	278	24	81	57	70
Mali	27,722	33,377	31,169	16,143	8,491	25,700
Mexico	4,395	4,982	1,541	2,971	1,848	739
Pakistan	161	13,087	16,347	10,002	4,681	5,200
Sudan	7,784	7,466	5,118	5,637	3,504	8,961
Syria	4,060	8,556	10,517	25,822	14,986	13,052
Russia	499	1,021	43	4,216	0	3,346
Tanzania	2,789	2,192	3,410	4,085	4,216	5,536
Togo	1,609	2,442	3,374	171	1,031	433
Turkey	5,605	582	512	4,812	54	1,223
Uzbekistan	11,508	11,259	5,074	32,602	3,135	8,601
Zimbabwe	12,246	25,031	32,497	0	28,683	0
Others	45,142	41,439	18,825	12,824	8,171	16,493
				0		
TOTAL	263,705	371,721	344,961	451,789	264,007	286,704

Source: Thai Customs Department

Table 4: Thailand's Key Economic Indicators

	1997	1998	1999	2000	2001	2002 (Prelim.)	2003 (Forecast)
1. Population	60.5	61.2	61.8	61.9	62.3	62.8	63.1
2. GDP at constant 1998 price							
(% change)	-1.4	-10.5	4.2	4.6	1.9	5.2	3.5-4.5
3. CPI (% change)	5.6	8.1	0.3	1.6	1.6	0.7	1.0-2.0
4. External Account (billion US$)							
4.1 Export	56.7	52.9	56.8	67.9	63.2	66.9	n.a.
(% change)	(3.8)	-(6.8)	(7.4)	(19.5)	(-6.9)	(5.8)	n.a.
4.2 Import	61.3	40.6	47.8	62.4	60.7	63.4	n.a.
(% change)	-(13.4)	-(33.8)	(17.7)	(31.3)	(-2.8)	(4.6)	n.a.
4.3 Trade Balance	-14.6	12.2	8.9	5.5	2.5	3.5	n.a.
4.4 Current account balance	-3.1	14.3	11.2	9.3	6.2	7.6	n.a.
4.5 Balance of payments	-10.6	1.7	4.6	-1.6	1.3	4.2	n.a.
5. Government Finance (bil. baht)							
5.1 Cash balance	-31.1	-115.0	-134.3	-116.1	-107.9	-118.7	n.a.
5.2 Total public debt	936.2	1,242.3	1,956.7	2,180.8	2316.0	1,691	n.a.
6. Monetary Statistics							
6.1 Domestic Credit (% change)	34.5	-1.2	-4.2	-7.4	-6.1	3.6	n.a.
6.2 Deposit (% change)	16.0	8.8	-0.5	5.3	4.0	2.5	n.a.
6.3 Interest rate							
Prime rate	15.3	11.50-12.00	8.25-8.75	7.50-8.25	7.00-7.50	6.5-7.0	n.a.
Fixed deposit	10.00-13.00	6.00-6.25	4.00-4.25	3.5	2.75-3.00	2.0	n.a.
7. Exchange rate							
Baht: US$ average	31.4	41.4	37.8	43.09	44.48	42.96	n.a.

Source: Bank of Thailand

Table 5: Status of Textile Industry in Thailand

	1997	1998	1999	2000	2001	2002
Number of Employment						
-- Man-made fiber	17,070	17,000	15,900	15,400	15,340	15,600
-- Spinning	65,890	63,450	61,800	60,310	60,470	60,580
-- Weaving	64,250	60,730	59,540	58,870	58,730	58,980
-- Knitting	60,670	58,870	58,480	58,740	59,790	59,930
-- Dyeing and Printing	47,840	47,280	47,050	47,180	46,750	46,930
-- Clothing	857,830	849,570	843,030	843,200	840,460	840,850
TOTAL	1,113,550	1,096,900	1,085,800	1,083,700	1,081,540	1,082,870
Number of Textile Machinery						
- Spinning (No. of spindles)	4,170,254	3,763,438	3,611,918	3,581,866	3,586,834	3,597,114
- Weaving (No. of looms)	133,861	131,479	130,991	130,502	130,231	130,513
- Knitting (No. of machines)	111,977	111,291	111,120	111,372	112,019	112,315
- Clothing (No. of machines)	772,128	764,618	759,012	759,438	757,307	757,751

Source: Department of Industrial Promotion, Ministry of Industry

Table 6: Thailand's Production and Consumption of Yarn

	1996	1997	1998	1999	2000	2001	2002	2003 (fore.)
Production(TMT)								
Cotton yarn	317.0	297.4	267.2	268.5	299.2	337.7	381.8	400.0
Man-made yarn	452.9	472.2	509.9	494.3	539.6	550.5	594.6	630.0
Total production	769.9	769.6	771.1	762.8	838.8	888.2	976.4	1,030.0
Consumption(TMT)								
Cotton yarn	289.3	261.9	242.5	245.6	291.3	323.7	356.9	375.0
Man-made yarn	349.1	362.1	342.2	352.7	420.8	402.3	416.5	440.0
Total consumption	638.4	624.0	584.7	598.3	712.1	726.0	773.4	815.0
Note: From 1996-2002, data are from Department of Industrial Promotion, Ministry of Industry								
The data for 2003 are estimated by FAS/Bangkok								

Table 7: Thailand's Exports of Cotton Yarn

	1999	2000	2001	2002
	Quantity (Tons)	Quantity (Tons)	Quantity (Tons)	Quantity (Tons)
U.S.A.	1,736	866	1,502	1,790
Australia	468	473	497	230
Belgium	1,496	351	262	95
China	8,103	6,906	6,073	8,243
Germany	1,358	619	622	991
Hong Kong	4,435	2,405	2,844	3,273
Spain	817	265	592	724
Japan	2,378	2,499	2,644	3,038
S. Korea	855	1,610	995	3,522
Malaysia	1,500	2,162	2,471	2,606
Indonesia	0	998	527	61
Italy	466	523	296	845
Singapore	937	134	638	1,592
North Korea	0	0	2,429	4,835
Others	2,982	1,058	1,477	2,666
TOTAL	27,531	20,869	23,869	34,511

Source: Thai Customs Department

Table 8: Thailand’s Imports of Cotton Yarn

	1999	2000	2001	2002
	Quantity (Tons)	Quantity (Tons)	Quantity (Tons)	Quantity (Tons)
U.S.A.	17	11	0	70
China	2,515	4,068	4,044	4,787
France	8	13	5	10
Hong Kong	779	1,157	767	744
Indonesia	295	399	141	62
India	2,826	4,583	1,947	912
Japan	183	293	453	185
S. Korea	2,113	642	936	1,152
Pakistan	1,825	5,072	5,621	3,995
Taiwan	207	375	395	372
Italy	0	118	319	88
Others	232	403	233	840
TOTAL	11,000	17,134	14,861	13,218

Source: Thai Customs Department

Table 9: Thailand's Production and Consumption of Fabrics

	1996	1997	1998	1999	2000	2001	2002	2003 (Fore.)
Production (TMT)								
Cotton fabric	189.7	172.6	159.2	161.2	190.7	211.4	233.0	245.0
Man-made fabric	228.9	238.7	224.7	231.4	275.5	262.7	271.9	280.0
Total production	418.6	411.3	383.9	392.6	466.2	474.1	504.9	525.0
Consumption (TMT)								
Cotton fabric	168.0	142.0	127.1	134.2	168.5	188.0	211.5	220.0
Man-made fabric	202.1	202.8	183.0	192.2	237.9	238.2	243.5	248.0
Total consumption	370.1	344.8	310.1	326.4	406.4	426.2	455.0	468.0
Note: From 1996-2002, data are from Department of Industrial Promotion, Ministry of Industry								
The data for 2003 are estimated by FAS/Bangkok								

Table 10: Thailand's Exports of Cotton Fabrics

	1999	2000	2001	2002
	Quantity (Tons)	Quantity (Tons)	Quantity (Tons)	Quantity (Tons)
U.S.A.	9,034	8,638	8,017	9,407
Bangladesh	1,068	791	635	749
Belgium	2,546	2,346	1,619	2,175
Benin	1,482	3,752	1,106	410
China	591	678	630	707
Germany	2,835	3,500	3,588	3,740
Singapore	0	843	1,574	272
Hong Kong	2,263	2,294	2,220	2,573
Italy	1,580	2,403	1,756	2,136
Laos	1,186	1,378	2,045	1,964
Myanmar	2,661	2,392	1,747	1,385
Congo	0	41	1,232	914
Netherlands	1,257	1,139	956	1,109
Others	10,022	10,514	9,248	10,850
TOTAL	36,525	40,709	36,373	38,389

Source: Thai Customs Department

Table 11: Thailand's Imports of Cotton Fabrics

	1999	2000	2001	2002
	Quantity (Tons)	Quantity (Tons)	Quantity (Tons)	Quantity (Tons)
U.S.A.	388	271	218	183
China	7,105	15,824	13,792	15,422
Hong Kong	2,700	1,980	2,753	3,463
Indonesia	1,591	1,087	767	1,590
India	3,287	3,570	1,582	571
Japan	1,146	1,337	1,242	2,035
South Korea	306	373	338	651
Malaysia	332	103	199	152
Pakistan	1,000	1,525	590	435
Taiwan	1,468	1,076	891	795
Others	729	996	823	1,257
TOTAL	20,052	28,142	23,195	26,556

Source: Thai Customs Department

Table 12: Tariff for Cotton and Textile Products

	Current calculated tariff for non-AFTA countries	Current tariff applied for AFTA countries under CFPT scheme1/	Tariff Schedule Commitment with WTO
	(% Ad Valorem)	(% Ad Valorem)	(% Ad Valorem)
Raw cotton	0	3.75	30% as general tariff
Cotton yarn	10	5	21
Cotton fabric	20	5	50
Chemical used in textile	10-15	5	30
Textile machinery	5	2.50-15.0	18

1/ CFPT Means the Common Effective Preferential Tariff, and it is an agreed effective tariff, preferential to ASEAN countries, to be applied to goods originating from ASEAN Member States, and which have been identified for inclusion in the CFPT Scheme.

Source: Department of Trade Negotiations, Ministry of Commerce
Thai Customs Department