

Value Added Tax (VAT) is payable in addition. The present rate of VAT is 7 percent, levied on the duty paid value of the goods concerned.

1. Goods are classified according to the internationally recognized Harmonised Systems.
2. Import Duty is charged on the CIF value of a consignment at rates laid down in the Thai Customs Tariff which are either a percentage of the CIF value or a unit charge per kilogram or litre. Where both rates are shown in the Tariff, the rate which yields the higher duty is charged.
3. Value Added Tax (VAT) was introduced on 1 January 1992, replacing Business Tax. VAT is at present charged at 7 percent and is levied on the duty paid value of the goods concerned.
4. The combined duty and tax is calculated as per the following example:

CIF value	100.00 Baht
Import duty 30%	30.00 Baht
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	130.00 Baht
VAT 7%	9.10 Baht
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	139.10 Baht

Total duty and VAT:  $30.00 + 9.10 = 39.10$  Baht

The Minister's power to reduce rates of duty has been exercised widely in recent years.

Regarding Thailand's role as an international player, it is heartening to note that the United States Trade Representative (USTR) has removed Thailand from the "Priority Foreign Country" (PFC) watch list and has placed it onto another less vulnerable "Priority Watch List" (PWL), as a result of Thailand's progress in protecting intellectual property rights. While this action affects food exporters to a lesser degree, it is a sound indication of how Thailand is maturing vis-a-vis international trade. Although off the PFC, Thailand remains on the PWL until another review is held by the United States in 1994. This list is decidedly less vulnerable to sanctions (impositions of trade retaliation on Thai exporters) under Section 301 of the US Trade Act.

#### **4&5. ENTRY BARRIERS, LABELLING AND STANDARDS**

See under Relevant Legislation (Sec 1).