

APPENDIX 2**TARIFF SCHEDULE**

1. Basket A

Goods under Basket A are subject to immediate tariff elimination on the day the Protocol enters into force.

2. Basket B

Goods under Basket B are subject to tariff reduction and elimination in accordance with the following formula, beginning on the day the Protocol enters into force.

Industrial Goods:

Base Rate (X)	Date of entry into force	1 Jan 2 nd year	1 Jan 3 rd year	1 Jan 4 th year	1 Jan 5 th year	1 Jan 6 th year
$X > 20$	20	16	12	8	4	0
$5 < X \leq 20$	$\frac{5}{6} X$	$\frac{4}{6} X$	$\frac{3}{6} X$	$\frac{2}{6} X$	$\frac{1}{6} X$	0
$X \leq 5$	X	X	$\frac{3}{4} X$	$\frac{2}{4} X$	$\frac{1}{4} X$	0

Agricultural Goods:

Base Rate (X)	Date of entry into force	1 Jan 2 nd year	1 Jan 3 rd year	1 Jan 4 th year	1 Jan 5 th year	1 Jan 6 th year
$X > 30$	30	24	18	12	6	0
$5 < X \leq 30$	$\frac{5}{6} X$	$\frac{4}{6} X$	$\frac{3}{6} X$	$\frac{2}{6} X$	$\frac{1}{6} X$	0
$X \leq 5$	X	X	$\frac{3}{4} X$	$\frac{2}{4} X$	$\frac{1}{4} X$	0

Base Rate for Tariff Reduction

- Both Parties agreed to use prevailing tariff rates on 1 June 2004 as base rates for tariff reduction. The base rate is on Appendix 1.
- Thailand's base rates for tariff reduction will be ad valorem rates. Where ad valorem or specific rates are imposed, the base rate will only be the ad valorem rate. Where only specific rates are imposed, the ad valorem rate will be calculated from the following formula, using year 2003 data as inputs:

$$\text{Base rate} = \frac{\text{Duty Collected}}{\text{Dutiable Import Value}} * 100$$