



Australian Government

Department of Foreign Affairs and Trade

### ***FACT SHEET – WOOL AND COTTON***

ASEAN is a very significant market for Australian exports of raw cotton, worth some \$300 million in average annual exports, and accounting for over 40% of global cotton exports. It is also a major market for degreased wool (about 22% of exports). ASEAN tariffs are generally not high, particularly for raw materials, but elimination of tariffs and guarantees against future increase will provide increased certainty in market access and improved market opportunities over time. All tariffs will be eliminated in this sector, except for a few tariff lines (cotton waste, and cotton, carded or combed) in Burma, which will be bound at their 1% base rates.

#### Australia's Exports to ASEAN (Australian Produce)

Product (HS 5101-5107, and 5201-5206)	Exports to ASEAN  3 Year Average 2006-2008 (\$A million)	Exports to ASEAN as Percentage of Australia's Global Exports of Each Product 3 Year Average 2006-2008 %
Greasy wool (HS 5101.11)	7.2	0.3
Degreased wool, not carded or combed (HS 5101.21)	42.3	22.0
Combed wool, in fragments (HS 5105.21)	1.5	14.4
Cotton, not carded or combed (HS 5201.00)	300.0	44.8
Other	0.8	0.4
Total	351.8	11.2

#### Summary of Outcomes

##### Australia

- **Wool – raw, carded or combed, waste:** 0% tariffs bound at entry-into-force (EIF).
- **Wool yarn:** 5% tariffs will be eliminated in 2010.
- **Cotton – raw (not carded or combed), waste, carded or combed:** 0% tariffs bound at EIF.
- **Cotton – other:** 5% tariffs will be eliminated at EIF.

##### Indonesia

- **All wool:** 5% tariffs will be eliminated in 2010.
- **Cotton – raw (not carded or combed):** 0% tariffs bound at EIF.
- **Cotton – other:** 5% tariffs will be eliminated in 2010.

### Malaysia

- **Wool:** 0% tariffs bound at EIF.
- **Cotton – raw (not carded or combed), waste, carded or combed:** 0% tariffs bound at EIF.
- **Cotton – other:** 10% tariffs (yarn, not for retail sale) and 15% tariffs (sewing thread) phase to 0% by 2011 and 2012 respectively.

### New Zealand

- **Wool – raw, carded or combed, waste:** 0% tariffs bound at EIF.
- **Wool yarn:** 7% tariffs phase to 0% by 2017 or 2020.
- **All cotton:** 0% tariffs bound at EIF.

*Note: Australia already benefits from bound 0% tariffs under ANZCERTA.*

### Philippines

- **Wool:** 1% tariffs will be eliminated in 2010.
- **Raw cotton (not carded or combed):** 1% tariffs will be eliminated in 2010.
- **Cotton – carded or combed, waste, garnetted stock:** 3% tariffs will be eliminated in 2010.
- **Cotton – other:** 7% tariffs (cotton yarn, not for retail sale) and 10% tariffs (sewing thread) phase to 0% by 2011 and 2012 respectively.

### Singapore

- **All tariffs bound at 0% at EIF.**

*Note: these tariff commitments are the same as in SAFTA.*

### Thailand

- **Wool – raw, carded or combed, waste:** 1% tariffs will be eliminated at EIF.
- **Wool yarn:** 5% tariffs will be eliminated at EIF (yarn of carded wool) or phase to 0% by 2015 (yarn of combed wool).
- **Cotton – raw (not carded or combed), waste, carded or combed:** 0% tariffs bound at EIF.
- **Cotton – other:** 5% tariffs will be eliminated at EIF.

*Note: for some products tariff commitments are better in TAFTA.*

### Vietnam

- **Wool – raw, carded or combed:** 0% tariffs bound at EIF.
- **Wool – waste:** 10% tariffs phased to 0% by 2016 commencing in 2012.
- **Wool – garnetted stock:** 3% tariff will be eliminated in 2016 (in one step).

- **Wool – yarn (not for retail sale):** 20% tariffs phase to 0% by 2017.
- **Cotton – raw, carded or combed:** 0% tariffs bound at EIF.
- **Cotton – waste, garnetted stock:** 10% tariffs phase to 0% by 2016 commencing in 2012.
- **Cotton – other:** 20% tariffs (yarn, not for retail sale) phase to 0% by 2017; 30% tariffs (sewing thread) phase to 0% by 2018.

**Other ASEAN countries:**

**Brunei**

- **All wool and cotton:** 0% tariffs bound at EIF.

**Cambodia**

- **All wool and cotton:** 7% tariffs phase to 0% by 2021.