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**CASE STUDY: EXPORTING RUBBER SURGICAL GLOVES FROM THAILAND UNDER CPTPP**

Thailand is one of the world’s leading producers of rubber surgical gloves—a critical element of the global fight against the COVID-19 pandemic.

However, Thai exporters of rubber surgical gloves (HS401511) currently face a number of challenges.

First, Thailand does not have any preferential tariff rates with Canada or Mexico, as there are no existing free trade agreements (FTAs) in place with either country. This matters for Canadian exports, especially, because the duty rate into Canada is currently 15.5% for Thai companies (who must use MFN tariff rates).

Second, while Thai exporters can access preferential duty rates in the remaining four CPTPP member countries (Singapore is always duty-free), the rules of origin for glove manufacture can be difficult to meet. A product that qualifies for duty-free treatment into Japan may need to be manufactured differently to qualify under ATIGA into Vietnam.

Under CPTPP, the rules of origin are the same for all members. Once a product is manufactured, it can be shipped without change into all CPTPP countries.

Finally, the certificate of origin (CO) requirements are different under various existing Thai FTAs. Under CPTPP, self-certification is allowed (everywhere but Vietnam). This dramatically reduces the time spent on compliance for the glove exporter.

To see what the CPTPP does in practice for firms, look at the benefits to Thai trade in rubber surgical gloves to Canada. Thai exporters shipped roughly 105 million Thai baht (around US\$3 million) in 2019. At 15.5% tariffs, Thai firms gave US\$200,000 to Canadian customs. This is 0 under CPTPP.

Of course, firms are also likely to ship more product under CPTPP than previously sent, as the rules of origin are the same, self-certification and a host of other trade facilitation measures will apply, and demand for the product has increased since 2019.

Thai Exports to:	Japan	Mexico	New Zealand	Australia	Canada	Vietnam
HS Number:	401511000	40151101	4015110000K	40151190	401511000	40151100
MFN Duty Rate:	0	0	0	5%	15.5%	20%
Existing FTA Rates:	N/A as MFN is 0	None available, but MFN is 0	N/A as MFN is 0	0 under AANZFTA	None available	0 Under several FTAs, including ATIGA
CPTPP Rates:	0	0	0	0	0	0
2019 Export Volumes (in THB)	276,885,811	2,780,561	5,463,539	72,410,657	104,471,809	376,268

Source: Thomson Reuters, OneSource