

Article 21

Structural adjustment

1. Exceptional measures of limited duration which derogate from the provisions of Article 4 (Customs duties on imports and charges having equivalent effect) may be taken by Lithuania in the form of increased customs duties.
2. These measures may only concern infant industries, or certain sectors undergoing restructuring or facing serious difficulties, particularly where these difficulties produce important social problems.
3. After the introduction of these measures, the total *ad valorem* customs duties applicable in Lithuania to products originating in the EFTA States may not exceed 25% and shall maintain an element of preference for products originating in the EFTA States. The total value of imports of the products which are subject to these measures may not exceed 15% of total imports of industrial products from the EFTA States as defined in Article 2 (a) during the last year for which statistics are available.
4. These measures shall be applied for a period not exceeding three years unless a longer duration is authorized by the Joint Committee. They shall cease to apply at the latest by 31 December 2000 and no such measures can be introduced in respect of a product if more than three years have elapsed since the entry into force of this Agreement or since the elimination of all duties and quantitative restrictions or charges or measures having an equivalent effect concerning that product, whichever is later.
5. Lithuania shall inform the Joint Committee of any exceptional measures it intends to take and, at the request of the EFTA States, consultations shall be held in the Joint Committee on such measures and the sectors to which they apply before they are applied. When taking such measures Lithuania shall provide the Joint Committee with a schedule for the elimination of the customs duties introduced under this Article. This schedule shall provide for a phasing out of these duties at equal annual rates starting at the latest two years after their introduction. The Joint Committee may decide on a different schedule.

Article 22

Re-export and serious shortage

Where compliance with the provisions of Articles 7 (Customs duties on exports and charges having equivalent effect) and 8 (Quantitative restrictions on imports or exports and measures having equivalent effect) leads to:

- (a) re-export towards a third country against which the exporting State Party to this Agreement maintains for the product concerned quantitative export restrictions, export duties or measures or charges having equivalent effect; or
- (b) a serious shortage, or threat thereof, of a product essential to the exporting State Party to this Agreement;

and where the situations referred to above give rise or are likely to give rise to major difficulties for the exporting State Party, that State Party may take appropriate measures under the conditions and in accordance with the procedures laid down in Article 25 (Procedure for the application of safeguard