

CHAPTER 2 TRADE IN GOODS¹

ARTICLE 2.1

Scope

1. This Chapter applies to:
 - (a) products falling within Chapters 25 to 97 of the Harmonized Commodity Description and Coding System (hereinafter referred to as “HS”), excluding the products listed in Annex II;
 - (b) processed agricultural products specified in Annex III, with due regard to the arrangements provided for in that Annex; and
 - (c) fish and other marine products as provided for in Annex V.
2. GCC and each EFTA State have concluded agreements on trade in agricultural products on a bilateral basis. These agreements form part of the instruments establishing a free trade area between the EFTA States and GCC.

ARTICLE 2.2

Customs Duties

1. No new customs duties shall be introduced in trade between the EFTA States and GCC, except as provided for in this Agreement.
2. The EFTA States shall, on entry into force of this Agreement, abolish all customs duties on imports of originating products from GCC.
3. GCC shall, on entry into force of this Agreement, abolish all customs duties on imports of originating products from the EFTA States, except as provided for in Annex VI.
4. A Party may introduce or maintain duties on exports in conjunction with domestic measures, in so far as it considers that such duties are necessary. Such duties shall be applied irrespective of the destination of the product. The Parties shall inform the Joint Committee of all export duties applied.

¹ As a result of the customs union established by the Treaty of 29 March 1923 between Switzerland and the Principality of Liechtenstein, Switzerland is representing the Principality of Liechtenstein in matters covered thereby.

5. A customs duty includes any duty or charge of any kind imposed in connection with the importation of a product, including any form of surtax or surcharge, but does not include any charge imposed in conformity with Articles III and VIII of the GATT 1994.

ARTICLE 2.3

Quantitative Restrictions on Import and Export

Article XI of the GATT 1994 is incorporated into and made a part of this Agreement *mutatis mutandis*.

ARTICLE 2.4

National Treatment

The Parties shall apply national treatment in accordance with Article III of the GATT 1994, including its interpretative notes, which is hereby incorporated into and made part of this Agreement.

ARTICLE 2.5

Rules of Origin and Methods of Administrative Co-operation

The provisions on rules of origin and methods of administrative co-operation are set out in Annex IV.

ARTICLE 2.6

Customs Valuation

The Parties shall determine the customs value of goods traded between them in accordance with the provisions of Article VII of the GATT 1994 and the WTO Agreement on Implementation of Article VII of the GATT 1994.

ARTICLE 2.7

Technical regulations

1. The rights and obligations of the Parties in respect of technical regulations, standards and conformity assessment shall be governed by the WTO Agreement on Technical Barriers to Trade (hereinafter referred to as “the TBT Agreement”).

2. The Parties shall strengthen their co-operation in the field of technical regulations, standards and conformity assessment, with a view to increasing the mutual understanding of their respective systems and facilitating access to their respective markets.

3. Without prejudice to paragraph 1, the Parties agree to hold consultations in the framework of the Joint Committee where a Party considers that an EFTA State or GCC has taken measures which are likely to create, or have created, an obstacle to trade, in order to find an appropriate solution in conformity with the TBT Agreement.

ARTICLE 2.8

Sanitary and Phytosanitary Measures

1. The rights and obligations of the Parties in respect of sanitary and phytosanitary measures shall be governed by the WTO Agreement on the Application of Sanitary and Phytosanitary Measures (hereinafter referred to as “the SPS Agreement”).

2. The Parties shall exchange names and addresses of contact points with sanitary and phytosanitary expertise in order to facilitate technical consultations and the exchange of information.

3. Without prejudice to paragraph 1, the Parties agree to hold consultations in the framework of the Joint Committee where a Party considers that an EFTA State or GCC has taken measures which are likely to create, or have created, an obstacle to trade, in order to find an appropriate solution in conformity with the SPS Agreement.

ARTICLE 2.9

Anti-dumping

1. The EFTA States and GCC shall endeavour to refrain from initiating anti-dumping procedures and measures against each other.

2. The rights and obligations of the Parties in respect of the application of anti-dumping measures shall be governed by Article VI of the GATT 1994 and the Agreement on Implementation of Article VI of the GATT 1994 except as provided for in this Article.

3. Before an EFTA State or GCC initiates an investigation to determine the existence, degree and effect of any alleged action in an EFTA State or GCC, as provided for in Article VI of the GATT 1994 and the Agreement on Implementation of Article VI of the GATT 1994, the Party considering initiating an investigation shall notify in writing the EFTA State or GCC whose goods are subject to investigation and allow for a 30 days period with a view to finding a mutually acceptable solution. The

consultations shall take place in the Joint Committee if an EFTA State or GCC so requests within ten days from the receipt of the notification.

4. If any anti-dumping measure were to be applied by an EFTA State or GCC, the measure shall without exception be terminated on a date not later than three years from its imposition. Nothing in this paragraph shall prevent an EFTA State or the GCC from introducing new anti-dumping measures in accordance with paragraph 2 and 3 of this Article on products subject to measures that have been terminated.

5. Five years after the date of entry into force of this Agreement, the Parties shall in the Joint Committee review whether there is need to maintain the possibility to take anti-dumping measures between them. If the Parties decide, after the first review, that there is a need to maintain the possibility, they shall thereafter conduct biennial reviews of this matter in the Joint Committee.

ARTICLE 2.10

State Trading Enterprises

The rights and obligations of the Parties in respect of state trading enterprises shall be governed by Article XVII of the GATT 1994 and the Understanding on the Interpretation of Article XVII of the GATT 1994, including its interpretive notes which are hereby incorporated into and made part of this Agreement.

ARTICLE 2.11

Subsidies and Countervailing Measures

1. The rights and obligations of the Parties relating to subsidies and countervailing measures shall be governed by Articles VI and XVI of the GATT 1994 and the WTO Agreement on Subsidies and Countervailing Measures, except as provided for in paragraph 2.

2. Before an EFTA State or GCC initiates an investigation to determine the existence, degree and effect of any alleged subsidy in an EFTA State or in a GCC Member State, as provided for in Article 11 of the WTO Agreement on Subsidies and Countervailing Measures, the Party considering initiating an investigation shall notify in writing the Party whose goods may be subject to investigation and allow for a 30 days period with a view to finding a mutually acceptable solution. The consultations shall take place in the Joint Committee if any Party so requests within ten days from the receipt of the notification.

ARTICLE 2.12

Global Safeguard Measures

The Parties confirm their rights and obligations under Article XIX of GATT 1994 and the WTO Agreement on Safeguards. In taking measures under these WTO provisions, a Party shall exclude imports of an originating good from an EFTA State or GCC if such imports do not in and of themselves cause or threaten to cause serious injury. The Party taking the measure shall demonstrate that such exclusion is in accordance with its WTO obligations, as interpreted through the WTO jurisprudence.

ARTICLE 2.13

General Exceptions

The rights and obligations of the Parties in respect of general exceptions shall be governed by Article XX of the GATT 1994, which is hereby incorporated into and made part of this Agreement.

ARTICLE 2.14

Security Exceptions

The rights and obligations of the Parties in respect of security exceptions shall be governed by Article XXI of the GATT 1994, which is hereby incorporated into and made part of this Agreement.