

ANNEX I

CUSTOMS DUTIES ON PRODUCTS ORIGINATING IN PACIFIC STATES

1. Without prejudice to paragraph 2 customs duties of the UK (hereinafter ‘UK customs duties’) shall be entirely eliminated on all products of Chapters 01 to 97 of the HS, except those of Chapter 93 thereof, originating in a Pacific State. For products of Chapter 93 the UK shall continue to impose the applied MFN duties. For indicative purposes the schedule of UK customs duties applicable to products originating in a Pacific State is appended to this Annex.
2. (a) For the purpose of the application of the provisions of Article 21, disturbances in the markets of products of tariff heading 1701 may be deemed to arise in situations where the UK market price of white sugar falls during two consecutive months below 80 percent of the UK market price for white sugar prevailing during the previous marketing year⁶
 - (b) Subparagraph 2(a) shall not apply for a period of five (5) years from the date of entry into force of this Agreement or, if the Agreement is provisionally applied, the date such provisional application takes effect.
 - (c) The Parties agree to review subparagraph 2(a), with a view to reaching agreement within five (5) years of the date of entry into force of this Agreement or, if the Agreement is provisionally applied, the date such provisional application takes effect, on a percentage of the UK market price for white sugar prevailing during the previous marketing year which, if the UK market price of white sugar falls below during two consecutive months, may be deemed a disturbance in the market of products of tariff heading 1701.

⁶ For the purpose of paragraph 2 ‘marketing year’ means the period between 1 October and 30 September