

ANNEX 1

TRADE IN GOODS

ARTICLE 1

Scope

Except as otherwise provided, this Annex applies to trade in goods between the Parties.

ARTICLE 2

National Treatment

Each Party shall accord national treatment to the goods of the other Party in accordance with Article III of the General Agreement on Tariffs and Trade (hereinafter referred to as “GATT”) 1994.

ARTICLE 3

Elimination of Customs Duties

1. The provisions of this Annex concerning the elimination of customs duties on imports shall apply to goods originating in the territories of the Parties.
2. A Party shall not increase an existing customs duty or introduce a new customs duty on imports of originating goods.
3. Each Party shall refrain from applying any measure that reduces or nullifies the commitment of this Annex.
4. Except as otherwise provided in this Protocol, each Party shall progressively eliminate its customs duties on originating goods of the other Party listed in Appendix 1 (List of Goods) in accordance with its Tariff Schedule in Appendix 2 (Tariff Schedule).
5. The tariff classification of trade in goods between the Parties shall be governed by national nomenclature of each Party, which will be consistent with the Harmonized System for Designation and Coding of Goods – 2002, and its amendments.

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6. The Tariff Elimination Program shall not be applicable to used goods identified under the same HS code of new goods and those identified in Appendix 3.

ARTICLE 4 Accelerated Tariff Elimination

1. On the request of a Party, the Parties shall consult to consider accelerating the elimination of customs duties on originating goods as set out in Appendix 1.
2. An agreement by the Parties to accelerate the elimination of customs duties on originating goods shall enter into force after the Parties have exchanged written notification advising that they have completed necessary internal legal procedures and on such date or dates as may be agreed between them.
3. A Party may at any time accelerate unilaterally the elimination of customs duties on originating goods of the other Party set out in its Schedule. A Party considering doing so shall inform the other Party as early as practicable.

ARTICLE 5 Administrative Fees and Formalities

Each Party shall ensure, in accordance with Article VIII (1) of GATT 1994, that all fees and charges of whatever character (other than customs duties, charges equivalent to an internal tax or other internal charge applied consistently with Article III (2) of GATT 1994, and anti-dumping and countervailing duties) imposed on or in connection with import or export are limited in amount to the approximate cost of services rendered and do not represent an indirect protection to domestic goods or a taxation on imports or exports for fiscal purposes.

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ARTICLE 6 Anti-Dumping Measures

Each Party maintains its rights and obligations under the WTO Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994.

ARTICLE 7 Subsidies and Countervailing Measures

1. Each Party maintains its rights and obligations under the WTO Agreement on Subsidies and Countervailing Measures.
2. Notwithstanding, goods benefiting from export subsidies shall not be subject to customs duties elimination agreed in this Annex.

ARTICLE 8 Agricultural Export Subsidies

1. The Parties share the objective of the multilateral elimination of export subsidies on agricultural products and shall work towards an agreement in the WTO to eliminate those subsidies and prevent the introduction in any form of any new export subsidies on agricultural products.
2. Consistent with their rights and obligations under the WTO Agreement, neither Party shall introduce or maintain any export subsidy on any agricultural product destined for the territory of the other Party.
3. At the earliest possible time, a Party shall give to the other Party advance notice of, and if requested shall consult on, any changes to relevant policies or measures. The Parties agree to enhance communication between their appropriate officials with a view to minimising trade distortions from such policies or measures. Where the affected Party identifies an adverse impact on its agriculture and food industries, the other Party shall take that impact into consideration.

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ARTICLE 9 Non-Tariff Measures

1. Except as otherwise provided in this Protocol, no Party shall maintain or adopt any prohibition, restriction or non-tariff measure on the import of any good of the other Party or on the export or sale for export of any good destined for the territory of the other Party, except in accordance with Article XI of GATT 1994.
2. Each Party shall ensure the transparency of its non-tariff measures permitted in paragraph 1 and shall ensure that any such measures are not prepared, adopted or applied with a view to or with the effect of creating unnecessary obstacles to trade between the Parties.

ARTICLE 10 Definition

“Customs Duties” includes any customs or import duty and a charge of any kind imposed in connection with the import of a good, including any form of surtax or surcharge in connection with such import, but does not include any:

- (a) charge equivalent to an internal tax imposed consistently with Article III (2) of GATT 1994;
- (b) anti-dumping or countervailing duty applied consistently with the provisions of GATT 1994, the WTO Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994, and the WTO Agreement on Subsidies and Countervailing Measures; and
- (c) fee or other charge in connection with importing commensurate with the cost of services rendered.