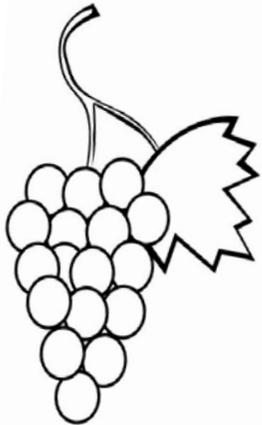




# EFTA-Peru

## Trade in Agricultural Products



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## Outline

- Agriculture in the EFTA States
- EFTA imports of agricultural goods
- Agriculture goods covered in the Chile – EFTA FTA
- Agricultural products not included in the Agreement?
- Useful information links
- Examples of exports to the EFTA States



## Agriculture in EFTA



- Not a common agricultural policy, but similar
- Difficult climatic and geographical conditions
- High production cost
- Active policy to maintain a certain level of agricultural production
  - High tariffs on goods from sensitive sectors; meat and dairy
- Not self-sufficient, large net-importers of agricultural products (Import ca. 50 % of consumption)



# Trade relations with the European Union

## Different trade arrangements with the EU

- Switzerland/Liechtenstein:
  - Bilateral agreements (on trade in both basic and processed agricultural products).
- Norway and Iceland:
  - Protocol 3 to the EEA on processed agricultural products.
  - Bilateral agreements (on trade in basic agricultural products, Article 19).



# Processed and Basic agricultural products

## Definition of Basic and Processed products (PAPs)

- **Processed products** defined by the EU, DG Trade (soups, chocolate, bread...)
  - Common EFTA position, same product coverage
  - In principle free trade –
- **Basic products**; falling under HS chapter 1-24 (customs classification system), minus processed agricultural products and fish; (meat, milk, fruit, grain...)
  - No common EFTA-policy, but close cooperation within EFTA countries.



## Agriculture in the EFTA States - Iceland

- 9 % of GDP and 4 % of employment
- Only 1 percent of the total land area cultivated
- Milk and sheep are the main productions, especially tender highland lamb of a very high quality
- Icelandic horses
- Very high SPS standards





# Agriculture in the EFTA States - Liechtenstein

- 0.4 % of GDP and 1 % of employment
- 34 % of the total land area is agricultural area
- Milk the main productions.
- Some 90 farms produce 13 to 14 million kg milk per year.





## Agriculture in the EFTA States - Norway

- 1.4 % of GDP and 3.7 % of employment
- Only 3 percent of the total land area cultivated
- Northernmost country in Europe - difficult production conditions
- Meat and dairy are the main productions, but also grain and some vegetables





# Agriculture in the EFTA States - Switzerland

- 1.3 % of GDP and 4 % of employment
- Mountainous landscape, small scale structure agriculture
- Meat, dairy, fruit, and wine are important productions.
- Famous cheese





# EFTA imports of agricultural goods

- All EFTA States are major net-importers of agricultural goods
- Main trading partner is the European Union (ca. 70%)
- Major product groups that are imported:
  - Plants, vegetables, fruits
  - Coffee, tea, spices
  - Processed agricultural products
  - Beverages
  - Tobacco



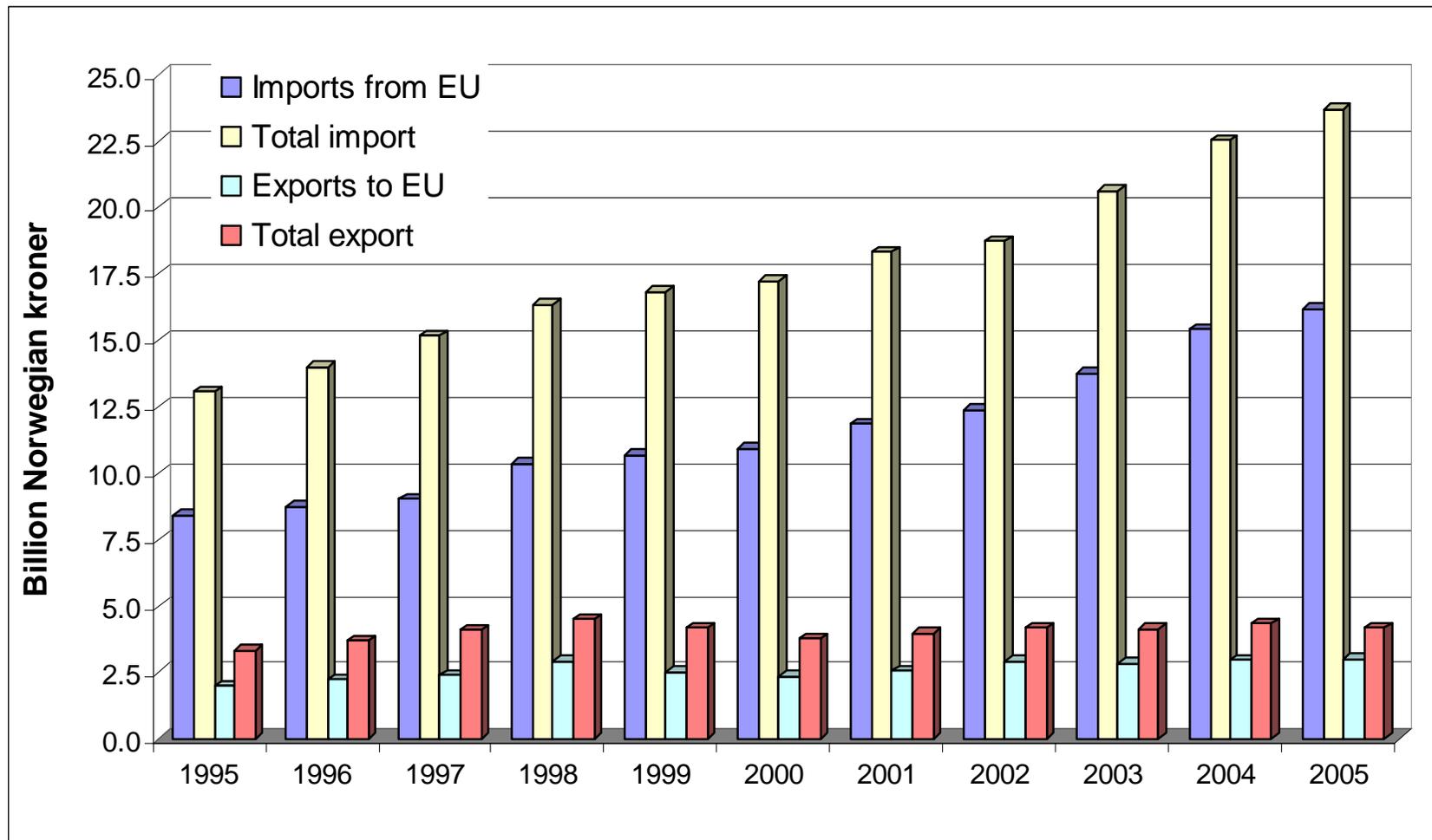
## EFTA imports from Peru 2003-2006

- Switzerland
  - Coffee
  - Machinery
  - Fruits
- Norway
  - Largest EFTA importer of Peruvian goods
  - Waste from the food industry
  - Fats and oils
  - Zinc
- Iceland
  - Vegetables





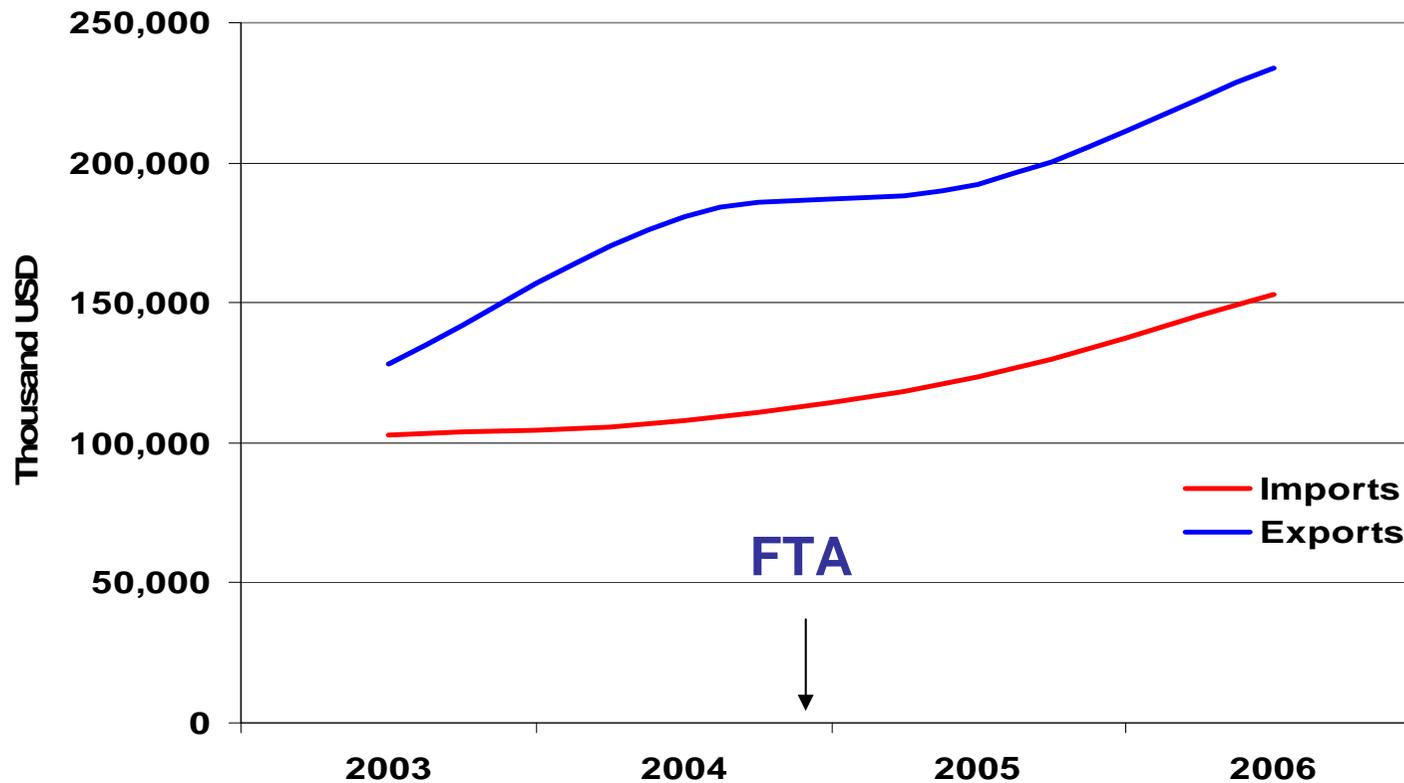
# Norwegian trade with agricultural goods





# EFTA – Chile Trade

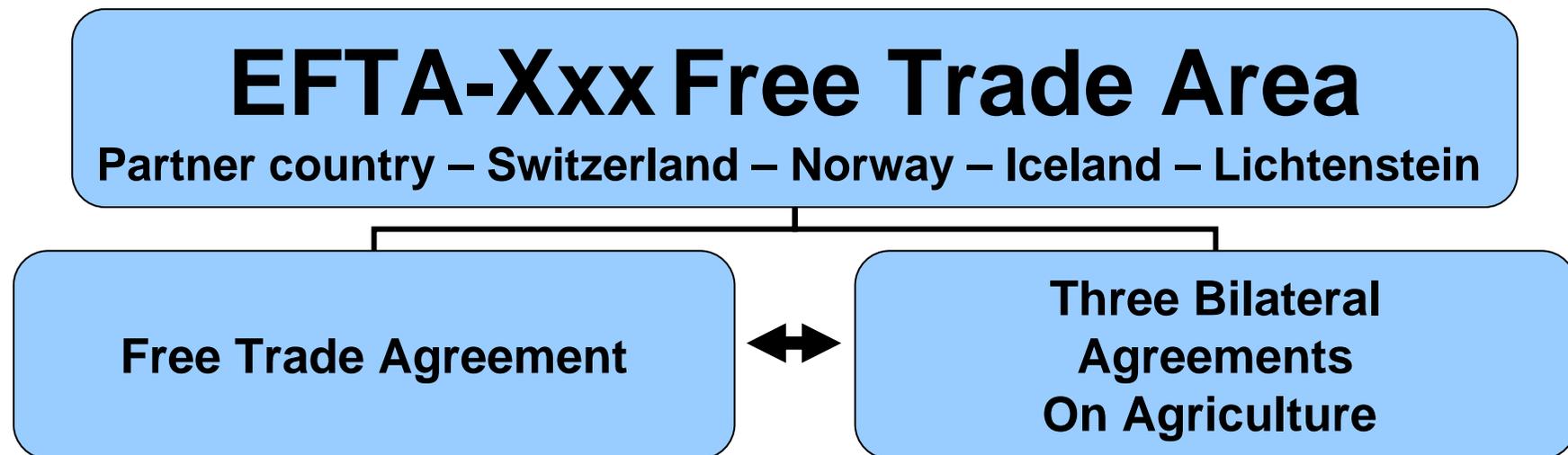
## EFTA's imports and exports from Chile





## Structure of the Agreement

- Subject to negotiations!





# Agriculture in EFTA's Free Trade Agreements

## Bilateral agricultural agreements

- Different sensitivities of the EFTA States in the field of agriculture.
- Bilateral agricultural agreements allow for flexible and tailor-made solutions, not lowest common denominator.
- Harmonisation of the texts of the bilateral agreements.
- Separate concessions lists
- Reference to certain provisions in the Main Agreement.
- Part of the instruments establishing the free trade area, Art XXIV of GATS.



# Agriculture in the Chile – EFTA FTA

## ARTICLE 1

### Establishment of a free trade area

- The EFTA States and Chile hereby establish a free trade area by means of this Agreement and the **complementary agreements on trade in agricultural** goods, concurrently concluded between Chile and each individual EFTA State.



# Agriculture in the Chile – EFTA FTA

## Article 7, Coverage

1. This Chapter applies to trade between the Parties relating to:
  - (a) products falling within chapters 25 through 97 of the Harmonized Commodity Description and Coding System (hereinafter referred to as “the HS”), excluding the products listed in Annex III;
  - (b) products specified in Annex IV, with due regard to the arrangements provided for in that Annex; and
  - (c) fish and other marine products as provided for in Annex V.



## Agriculture in the Chile – EFTA FTA

- Processed agricultural products
  - Included in the Main Free Trade Agreement in Annex IV
- Basic agricultural products
  - Bilateral agricultural agreements between each of the EFTA States and Chile
  - The bilateral agreements form part of the instrument creating the Free Trade Area between EFTA and Chile



## Annex IV - Processed agricultural products

- Annex IV to the EFTA – Chile FTA
- Covers products like; **bread, soups, chocolate, preserved fruits and vegetables, prefabricated food....**
- Very similar coverage to what Chile has with the EU (Protocol 3 to the Chile–EU Association Agreement)
- EFTA offers Chile the same treatment as EFTA offers the EU for these products
- No industrial protection. Duty based on content of certain raw materials (mainly dairy and meat products)



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### Protocols

## Chile - Annexes and Protocols

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- Annex I - Concerning the definition of the concept of "originating products" and arrangements for administrative co-operation.
- Annex I Appendix 1 - Introductory notes to the list in Appendix 2
- Annex I Appendix 2 - List of working or processing required to be carried out on non-originating materials in order that the product manufactured can obtain originating status
- Annex I Appendix 3 - Movement Certificate EUR.1 and Application for a Movement Certificate EUR.1
- Annex I Appendix 4 - Invoice Declaration
- Annex II - Territorial Application
- Annex III - Rules of Origin and Origin Determination
- Annex IV - Processed Agricultural Products
  - Annex IV Table 1
  - Annex IV Table 2 - Iceland
  - Annex IV Table 3 - Liechtenstein, Switzerland
  - Annex IV Table 4 - Norway
  - Annex IV Table 5 - Chile
- Annex V - Fish and Other Marine Products
- Annex VI - Elimination of Customs Duties
  - Annex VI - Appendix I
  - Annex VII - Import and Export Restrictions

GO

### Calendar of Events

**27-09-2007**  
Standing Committee Meeting

**28-09-2007**  
EEA Joint Committee Meeting

**25-10-2007**  
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### EEA

- Seminars
- Programme participation
- EEA EFTA Budget
- National experts

40.00	- Sweet corn	*
1302	<b>Vegetable saps and extracts; pectic substances, pectinates and pectates; agar-agar and other mucilages and thickeners, whether or not modified, derived from vegetable products:</b> - Mucilages and thickeners, whether or not modified, derived from vegetable products:	
ex 31.00	-- Agar-agar: - Modified	FREE
	-- Mucilages and thickeners, derived from locust beans, locust bean seeds or guar seeds:	
ex 32.10	--- For technical uses: - Modified	FREE
ex 32.90	-- Other: - Modified	FREE

\* = Fixed duty in accordance with Article 2(1)(a) of this Annex; treatment no less favourable than that accorded to the European Community in accordance with Article 3(2) of this Annex

FREE = No fixed duty in accordance with Article 2(1)(a) of this Annex applied



## Annex IV - Continued

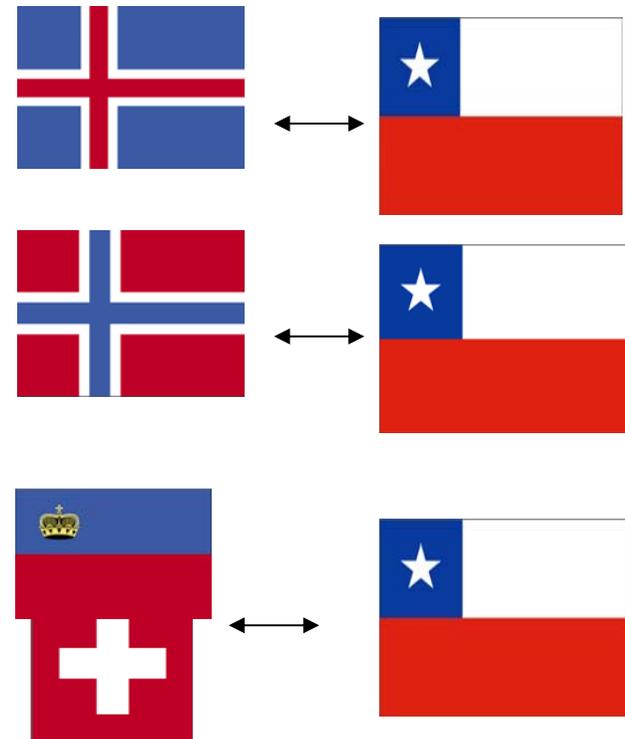
- Annex IV- text
- Table I – Free Trade Products for all EFTA States
- Table II – Icelandic concessions
- Table III – Swiss/ Lichtenstein concessions
- Table IV – Norwegian concessions
- Table V – Chile concessions
  
- “Free” – means (obviously) free of any customs duty
- “\*” – means EU treatment
  - duty based on content of raw materials
  - refer to country specific tariff book (see links)
  - EFTA importers know the system well





# Complimentary Agricultural Agreements

- Bilateral agreements between the respective EFTA States and Chile
- **Strictly linked to the FTA**
- Concessions spelled out in detailed annexes, positive lists
- The Parties undertake to achieve further liberalization
- WTO Agreement applies, unless otherwise specified
  - Elimination of export subsidies





## Agricultural products not included in the Agreement?

- Some agricultural products are not included neither in Annex IV, nor in the bilateral agricultural agreements
- MFN rates apply for these
- Many of these products are already duty free
- Confer with the national tariff books to find the exact duty for these products



## Useful information links

- The Chile – EFTA Free Trade Agreement (including Annex IV) and the Bilateral Agricultural Agreements:

<http://secretariat.efta.int/>

- Icelandic Customs tariff: [www.tollur.is](http://www.tollur.is)
- Norwegian Customs tariff: [www.toll.no](http://www.toll.no)
- Swiss Customs tariff: [www.tares.ch](http://www.tares.ch)



TOLLSTJÓRINN Í REYKJAVÍK



Eidgenössische Zollverwaltung EZV  
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## The EFTA Secretariat

The European Free Trade Association (EFTA) is an inter-governmental organisation established in 1960. Its Member States are Iceland, Liechtenstein, Norway and Switzerland.

The EFTA Secretariat administers the organisation, in particular the EFTA Free Trade Area: EFTA's participation in the European Economic Area (EEA), which includes the European Union (EU), and EFTA's worldwide network of free trade agreements. EFTA's headquarters is in Geneva. The Secretariat also has an office in Brussels and a Statistical office in Luxembourg.

The [EEA Financial Mechanism](#), operated in Brussels by Iceland, Liechtenstein and Norway, and the [Norwegian Financial Mechanism](#), supports social and economic cohesion within the European Economic Area.

The [EFTA Surveillance Authority \(ESA\)](#) and the [the EFTA Court](#) are separate inter-governmental institutions. ESA in Brussels ensures that Iceland, Liechtenstein and Norway respect their obligations under the EEA Agreement. The EFTA Court in Luxembourg fulfills the judicial functions with regard to the EEA EFTA States.

### Latest News

[Successful completion of the second round of negotiations on a Free Trade Agreement between Colombia, Peru and EFTA](#) 03-09-2007

Colombia, Peru and the EFTA States (Iceland, Liechtenstein, Norway and Switzerland) held the second round of negotiations on comprehensive Free Trade Agreements last week in Lima.

[Icelandic Minister of Health visits EFTA](#) 27-08-2007

EFTA's Deputy Secretary-General Ms. Bergdis Ellertsdóttir met with Iceland's Minister for Health and Social Security Mr. Guðlaugur Þór Þórðarson on 27 August 2007 at her office in Brussels.

[Mexico Free Trade Agreement after six years](#) 07-08-2007

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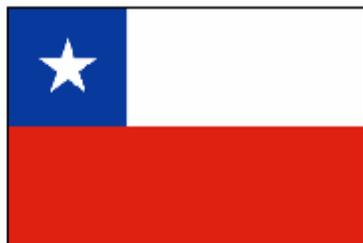
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## Examples:

- Oranges (HS 08.05) into Switzerland:
  - [Basic product, bilateral agricultural agreement](#)
- Beer (HS 22.03) into Iceland:
  - [Processed product, Annex IV](#)
- Yogurt (HS 04.03) into Iceland:
  - [Processed product, Annex IV with "\\*"](#)
  - [Look into Icelandic customs tariff](#)
- Guts and bladders (HS 05.04) into Norway:
  - Not covered by Annex IV or the bilateral agreement
  - [Look into Norwegian customs tariff](#)



**Free**

**Elimination of the  
industrial element**

**Free**



## Questions ?

- Questions related to agriculture in the EFTA States:

Eivind Skjulestad,  
EFTA Secretariat

[eivind.skjulestad@efta.int](mailto:eivind.skjulestad@efta.int)





Thank you!

