

Agreement on Agriculture

Between the Republic of Korea and the Republic of Iceland

The Republic of Korea (hereinafter referred to as “Korea”) and the Republic of Iceland (hereinafter referred to as “Iceland”),

RECALLING that a Free Trade Agreement between Korea and the EFTA States (hereinafter referred to as the “Free Trade Agreement”) is signed on the date of signature of this Agreement;

CONFIRMING that this Agreement forms part of the instruments establishing the free trade area between Korea and the EFTA States in accordance with paragraph 2 of Article 2.1 of the Free Trade Agreement,

HAVE AGREED as follows:

ARTICLE 1

Scope and Coverage

This Agreement covers trade in products:

- (a) classified in Chapters 1 through 24 of the Harmonized Commodity Description and Coding System (hereinafter referred to as “the HS”), and not included in Annexes IV and V of the Free Trade Agreement; and
- (b) not covered by the Free Trade Agreement according to Annex III of that Agreement.

ARTICLE 2

Tariff Concessions

1. Korea shall grant tariff concessions to agricultural products originating in Iceland as specified in Annex I to this Agreement. Iceland shall grant tariff concessions to agricultural products originating in Korea as specified in Annex II to this Agreement.

2. For products, for which the preferential duty rate is indicated as “B2” in Annex I, the customs duties shall be gradually eliminated in six equal steps, with the first step taking effect on the date of entry into force of the Agreement, and the following steps taking effect on 1 January each year, starting on 1 January 2007 and with total elimination from 1 January 2011.

ARTICLE 3

Rules of Origin and Customs Procedures

1. The rules of origin and customs procedures in Annex I to the Free Trade Agreement shall apply to this Agreement, except as provided for in paragraphs 2 and 3. Any references to “EFTA States” in that Annex shall be taken to refer to Iceland.
2. For the purpose of this Agreement, Article 3 of Annex I to the Free Trade Agreement shall not apply.
3. Notwithstanding Article 2 of Annex I to the Free Trade Agreement, materials originating in the other Party within the meaning of this Agreement shall be considered to be materials originating in the Party concerned and it shall not be necessary that such materials have undergone sufficient working or processing within the territory of that Party, provided however that the working or processing goes beyond that referred to in Article 6 of Annex I to the Free Trade Agreement.

ARTICLE 4

Dialogue

The Parties shall examine any difficulties that might arise in their trade in agricultural products and shall endeavour to seek appropriate solutions.

ARTICLE 5

Further Liberalisation

The Parties undertake to continue their efforts with a view to achieving further liberalisation of their agricultural trade, taking account of the pattern of trade in agricultural products between the Parties, the particular sensitivities of such products and the development of agricultural policy on both sides. In case a Party requests discussions on additional liberalisation for certain products, the other Party shall afford adequate opportunity to discuss the additional liberalisation.

ARTICLE 6

Provisions of the Free Trade Agreement

The following provisions of the Free Trade Agreement shall apply *mutatis mutandis* between the Parties to this Agreement: Articles 1.2, 1.5, 1.6, 1.7, 2.5, 2.6, 2.7, 2.9, 2.11, 2.12, 2.13, 10.1 and Chapter 9.

ARTICLE 7

WTO Agreement on Agriculture

The Parties confirm their rights and obligations under the WTO Agreement on Agriculture unless otherwise specified in this Agreement.

ARTICLE 8

Export Subsidies

Should a Party introduce or re-introduce a subsidy on exports of a product subject to a tariff concession in accordance with Article 2 that is traded with the other Party, that other Party may increase the rate of duty on such imports up to the applied most-favoured-nation tariff in effect at that time.

ARTICLE 9

Annexes

The Annexes to this Agreement constitute an integral part thereof.

ARTICLE 10

Amendments

1. The Parties may agree on any amendment to this Agreement.
2. Unless the Parties agree otherwise, the amendment shall enter into force on the first day of the second month following the receipt of the latter instrument of ratification, acceptance or approval.

ARTICLE 11

Entry into Force

1. This Agreement is subject to ratification, acceptance or approval. The instruments of ratification, acceptance or approval shall be exchanged between the Parties.
2. This Agreement shall enter into force on the date of entry into force of the Free Trade Agreement between Korea and Iceland.

ARTICLE 12

Relationship between this Agreement and the Free Trade Agreement

This Agreement shall remain in force as long as the Parties to it remain Parties to the Free Trade Agreement.

IN WITNESS WHEREOF, the undersigned, being duly authorised thereto, have signed this Agreement.

Done at Hong Kong this th day of December 2005, in two originals, in the English language.

For the Republic of Iceland

For the Republic of Korea