

## CHAPTER 2

# TRADE IN GOODS

### ARTICLE 201

#### **Scope**

Except as otherwise provided, this Chapter applies to trade in goods of a Party.

### ARTICLE 202

#### **National Treatment**

Each Party shall accord national treatment to the goods of the other Party in accordance with Article III of GATT 1994.

### ARTICLE 203

#### **Elimination of Customs Duties**

1. The provisions of this Chapter concerning the elimination of customs duties on imports shall apply to goods originating in the territory of the Parties.
2. A Party shall not increase an existing customs duty or introduce a new customs duty on imports of an originating good.
3. Except as otherwise provided in this Agreement, each Party shall progressively eliminate its customs duties on originating goods of the other Party in accordance with its Tariff Schedule at Annex 2. The base rate and the interim rate of customs duty at each stage of reduction for an item are indicated for the item in each Party's Schedule. Reductions shall occur upon entry into force of the Agreement and thereafter on 1 January of each year, as provided for in each Party's Schedule.

4. Each Party may adopt or maintain import measures to allocate in-quota imports made pursuant to a tariff quota set out in its Schedule, provided that such measures do not have trade restrictive effects on imports additional to those caused by the imposition of the tariff quota.

5. On the written request of the other Party, a Party applying or intending to apply measures pursuant to Paragraph 4 shall consult to consider a review of the administration of those measures.

#### ARTICLE 204

### **Accelerated Tariff Elimination**

1. Each Party declares its readiness to eliminate its customs duties more rapidly than is provided for in Article 203 or otherwise improve the conditions of access of originating goods if its general economic situation, and the economic situation of the economic sector concerned, so permit.

2. 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 Annex 2.

3. 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.

4. 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 before the new rate of customs duties takes effect.

## ARTICLE 205

### **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.

## ARTICLE 206

### **Anti-Dumping Measures**

1. With respect to the application of anti-dumping measures, the Parties reaffirm their commitment to the provisions of the *WTO Agreement on Implementation of Article VI of GATT 1994*.
2. The Parties shall observe the following practices relating to anti-dumping:
  - (a) on request of an exporter of the other Party, a Party's investigating authority shall make available the timeframes, procedures and any documents necessary for the offering of an undertaking. A Party's investigating authority shall extend reasonable consideration to price undertakings requested by exporters of the other Party. Furthermore, once a Party's investigating authority recommends accepting a particular price undertaking the authority shall extend that undertaking to the decision maker who shall give positive consideration to the investigative authority's recommendation to the extent possible under the Party's laws and regulations; and
  - (b) the timeframe to be used for determining the volume of dumped imports in the investigation or review shall be representative of the imports of both dumped and non-dumped goods, for a reasonable period, and such reasonable period shall normally be 12 months and not less than six months except in exceptional circumstances.

## ARTICLE 207

### **Subsidies and Countervailing Measures**

The Parties confirm their rights and obligations arising from the WTO *Agreement on Subsidies and Countervailing Measures*.

## ARTICLE 208

### **Agricultural Export Subsidies**

1. The Parties share the objective of the multilateral elimination of export subsidies for agricultural goods and shall work toward an agreement in the WTO to eliminate those subsidies and prevent the introduction in any form of any new export subsidies for agricultural goods.
2. Consistently with their rights and obligations under the WTO Agreement, neither Party shall introduce or maintain any export subsidy on any agricultural good 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.

## ARTICLE 209

### **Non-Tariff Measures**

1. Except as otherwise provided in this Agreement, a Party shall not adopt or maintain any prohibition or restriction 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.