

# WORLD TRADE ORGANIZATION

RESTRICTED

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**Committee on Regional Trade Agreements**

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## **FREE TRADE AGREEMENT BETWEEN ESTONIA AND THE FAROE ISLANDS (GOVERNMENT OF DENMARK)**

### Questions and Replies

#### Addendum

This document reproduces additional questions addressed to the Parties and the responses submitted.

## **I. BACKGROUND INFORMATION ON THE AGREEMENT**

### **3. Scope**

**Has consideration been given to the inclusion of further agricultural products within the FTA (as per Article 28) and if so, is there a timetable for advancing these discussions?**

All Agricultural products except those covered by Protocol 1 to the Agreement (attached) are already covered by the Agreement. The Parties have at the moment no intentions of changing Protocol 1. In fact, this Agreement is basically a genuine free-trade Agreement.

## **II. TRADE PROVISIONS**

### **1. Import Restrictions**

**What are the MFN tariffs the Faroe Islands apply to these products and what proportion of the Faroe Island's agricultural imports from Estonia consist of these products?**

Faroese import rules do not differentiate between imports from different third countries. There is at the moment no Faroese agricultural import from Estonia. It is not clear from the question on which specific products information is being requested.

### **5. Safeguards**

**Have any safeguards measures been taken (Article 7)? If so on what products and what measures were taken?**

So far, it has not been necessary to use the safeguard measures.

**7. Subsidies and State-aid**

**Has any progress been made in developing rules on the granting of State-aid and are any details available on the rules (Article 22)?**

So far, there has regrettably not been any such progress.

**9. Other**

**Which products are currently subject to state monopolies (Article 14)?**

In the Faroe Islands alcoholic beverages and pharmaceutical products are subject to state monopolies.

## PROTOCOL 1

1. The Contracting Parties shall continue in their efforts with a view to achieve further liberalization of trade in agricultural products within the framework of their respective agricultural policies and their international commitments.

2. Taking into account that the Faroe Islands have maintained tariffs and duties on import of the following agricultural goods:

<b>CN code</b>	<b>Description</b>
0204	Meat of sheep and goats, fresh, chilled or frozen
02068099	Edible offal of sheep and goats, fresh or chilled
02069099	Edible offal of sheep and goats, frozen
02109011	Meat of sheep or goats, salted, in brine, dried or smoked, with bone in
02109060	Edible meat offal of sheep or goats, salted, in brine, dried or smoked
ex 02109090	Edible flours and meals of meat and meat offal, of sheep and goats
0401	Milk and cream, not concentrated nor containing added sugar or other sweetening matter
0402	Milk and cream, concentrated or containing added sugar or other sweetening matter
0403	Buttermilk, curdled milk and cream, yogurt, kephir and other fermented or acidified milk and cream, whether or not concentrated or containing added sugar or other sweetening matter of flavored or containing added fruit, nuts or cocoa
ex 1601	Sausages or similar products, of meat, meat offal or blood; food preparations based on these products: <ul style="list-style-type: none"><li>- of sheep and goats</li></ul>
ex 1602	Other prepared or preserved meat, meat offal or blood: <ul style="list-style-type: none"><li>- Of sheep and goats</li></ul>

In order to take account of differences in the cost of processed agricultural goods, this Agreement does not preclude:

- (a) the levying, on import, of an agricultural component or fixed amount, or the application of internal price compensation measures;
- (b) the application of measures adopted on export.

3. Taking into account the Estonia customs tariff structure on the date of entry into force of this Agreement, where no customs duties are applied for agricultural products, in the event that as a result of Estonians accession to the WTO a new tariff regime for the agricultural products is established,

Estonia may, by way of derogation from the provisions of this Article and pursuant to the implementation of its agricultural policy introduce customs duties on a limited number of agricultural products originating in the Faroe Islands.

4. With reference to paragraph 3 of this Protocol, customs duties on imports may be introduced by Estonia during the first two years following the entry into force of this Agreement and after consultations in the Joint Committee. If necessary the period of two years may be prolonged by one year by the decision of the Joint Committee.

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