

## **ANNEX G**

REFERRED TO IN SUB-PARAGRAPH 1(b) OF ARTICLE 10

**PROCESSED AGRICULTURAL PRODUCTS**

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#### PROCESSED AGRICULTURAL PRODUCTS

##### Article 1

1. In order to take account of differences in the cost of the agricultural raw materials incorporated into the products referred to in Article 2 of this Annex, this Agreement does not preclude the levying, upon import, of a customs duty.
2. The customs duty, levied upon import, shall be based on, but not exceed, the differences between the domestic price and the world market price of the agricultural raw materials incorporated into the products concerned.

##### Article 2

1. Taking into account the provisions laid down in Article 1 of this Annex, the EFTA States shall accord to Canada for products listed in Table 1 to this Annex and originating in the territories of the Parties, treatment no less favorable than that accorded to the European Community.
2. For products listed in Table 2 to this Annex and originating in the territories of the Parties, Canada shall reduce, for the EFTA States, its customs duties as specified therein.

##### Article 3

The EFTA States shall notify Canada at an early stage, and in any event before their entry into force, of all measures applied under Article 1 of this Annex.

##### Article 4

1. The Parties shall not apply export subsidies, as defined in Article 9 of the *WTO Agreement on Agriculture*, in their trade in products that are subject to tariff concessions in accordance with this Annex.
2. The Parties shall provide in a transparent and expeditious manner the necessary information to allow them to monitor compliance with paragraph 1.

Article 5

Canada and the EFTA States shall review periodically the development of their trade in products covered by this Annex. In the light of these reviews and taking into account the evolution of agreements between the Parties and the European Community or of the WTO Agreement, Canada and the EFTA States may amend this Agreement in respect of the product coverage of this Annex, as well as possible reductions in customs duties applied under this Annex.

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