

## **ANNEX VII**

REFERRED TO IN PARAGRAPH 3 OF ARTICLE 8

CUSTOMS DUTIES ON IMPORTS INTO SACU

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### REFERRED TO IN PARAGRAPH 3 OF ARTICLE 8

#### CUSTOMS DUTIES ON IMPORTS INTO SACU

1. Customs duties on imports into SACU on products originating in an EFTA State listed in Tables 1 and 2 categorized as List 0 and List 1 are eliminated upon the entry into force of this Agreement.

2. Customs duties on imports into SACU on products originating in an EFTA State listed in Tables 1 and 2 categorized as List 2 shall be gradually eliminated in accordance with the following schedule:

- on the date of entry into force of this Agreement, each duty shall be reduced to 67 per cent of the basic duty;
- one year after the date of entry into force of this Agreement, each duty shall be reduced to 33 per cent of the basic duty;
- two years after the date of entry into force of this Agreement, the remaining duties shall be abolished.

3. Customs duties on imports into SACU on products originating in an EFTA State listed in Table 1 categorized as List 3 shall be gradually eliminated in accordance with the following schedule:

- on the date of entry into force of this Agreement each duty shall be reduced to 90 per cent of the basic duty;
- one year after the date of entry into force of this Agreement each duty shall be reduced to 80 per cent of the basic duty;
- two years after the date of entry into force of this Agreement each duty shall be reduced to 70 per cent of the basic duty;
- three years after the date of entry into force of this Agreement each duty shall be reduced to 60 per cent of the basic duty;
- four years after the date of entry into force of this Agreement each duty shall be reduced to 50 per cent of the basic duty;
- five years after the date of entry into force of this Agreement each duty shall be reduced to 40 per cent of the basic duty;
- six years after the date of entry into force of this Agreement each duty shall be reduced to 30 per cent of the basic duty;
- seven years after the date of entry into force of this Agreement each duty shall be reduced to 20 per cent of the basic duty;
- eight years after the date of entry into force of this Agreement each duty shall be reduced to 10 per cent of the basic duty;
- nine years after the date of entry into force of this Agreement the remaining duties shall be abolished.



<b>Tariff schedule with regard to products categorized as List 5</b>									
<b>Explanatory Notes</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>	<b>Year 7</b>	<b>Year 8</b>	<b>Year 9</b>
<b>Textiles - clothing</b>	31	29	26	23	20	(1)			
<b>Textiles - fabrics</b>	17	15	13	12	10	(1)			
<b>Textiles - household</b>	26	24	21	18	15	(1)			
<b>Textiles - yarns</b>	12	10	8	7	5	(1)			
<b>Tyres 1</b>	19	17	15						
<b>Tyres 2</b>	12	11	10						
<b>Tyres 3</b>	14	12	10						
<b>Tyres 4</b>	21	18	15						
(1) In the period from year 6 to year 9 SACU would provide imports from EFTA with a preference margin of around 40 per cent compared to MFN applied rates.									

6. The tariff staging modalities in paragraphs 2 to 5 are set out under the assumption that the reference date for tariff reduction is 1 January 2006. This reference date shall not be affected by any delay in the actual entry into force of this Agreement<sup>1</sup>.

7. Customs duties on imports into SACU on products originating in an EFTA State listed in Tables 1 and 2 categorized as Lists 5 and 6 shall be reviewed no later than five years after the date of entry into force of this Agreement. While the overall objective of the review would be to further improve the access conditions of products originating in EFTA States, individual products where the liberalization schedule is not sustainable would, as the case may be, also be addressed by the review.

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<sup>1</sup> Relating to the tariff reduction under paragraph 2, for example, if the Agreement were to enter into force during the course of 2006, the first step of tariff reduction would be made on the actual date of entry into force of the Agreement, the second would be made on 1 January 2007, i.e. as if the agreement had actually entered into force on 1 January 2006. As another example, if the agreement were to enter into force in the course of 2007, at the entry into force each duty shall be reduced to 33 per cent of the basic duty etc.