ANNEX II

REFERRED TO IN ARTICLE 2.1

PROCESSED AGRICULTURAL PRODUCTS

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PROCESSED AGRICULTURAL PRODUCTS

Article 1

Price Compensation Measures

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, the Agreement does not preclude:

(a) the levying, upon import, of a duty; and

(b) the application of measures adopted upon export.

2. The duty, levied upon import, shall be based on, but not exceed, the difference between the domestic price and the world market price of the agricultural raw materials incorporated into the products concerned.

Article 2

Tariff Concessions by the EFTA States

Taking into account the provisions laid down in Article 1, the EFTA States shall accord to products listed in the Table, originating in Hong Kong, China, treatment no less favourable than that accorded to the European Union at the time of importation of such products into the EFTA States.

Article 3

Tariff Concessions by Hong Kong, China

For products listed in the Table, originating in an EFTA State, Hong Kong, China shall abolish all customs duties on imports.

Article 4

Notification

The EFTA States shall notify Hong Kong, China of all measures applied or maintained under Article 1, and all changes to such measures. Notification of new

measures and changes to existing measures shall be made at an early stage before their entry into force.

Article 5

Consultations

The EFTA States and Hong Kong, China shall periodically review the development of their trade in products listed in the Table. In light of these reviews and taking into account the arrangements under the WTO and those between the EFTA States and the European Union, the EFTA States and Hong Kong, China shall decide on possible changes to the Table, as well as on a possible development of the measures applied under Article 1.

TABLE - TARIFF CONCESSIONS BY THE EFTA STATES

HS Code	Description of Products	Iceland	Norway	Switzerland/ Liechtenstein
04.03	**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 or flavoured or containing added fruit, nuts or cocoa.**			
ex 0403.10	- Yogurt:			
	-- Flavoured or containing added fruit, nuts or cocoa	*	*	*
ex 0403.90	- Other:			
	-- Flavoured or containing added fruit, nuts or cocoa	*	*	*
05.01	**Human hair, unworked, whether or not washed or scoured; waste of human hair.**	FREE	FREE	FREE
05.02	**Pigs', hogs' or boars' bristles and hair; badger hair and other brush making hair; waste of such bristles or hair.**	FREE	FREE	FREE
05.05	**Skins and other parts of birds, with their feathers or down, feathers and parts of feathers (whether or not with trimmed edges) and down, not further worked than cleaned, disinfected or treated for preservation; powder and waste of feathers or parts of feathers.**	FREE	FREE	FREE[1)]
05.07	**Ivory, tortoise-shell, whalebone and whalebone hair, horns, antlers, hooves, nails, claws and beaks, unworked or simply prepared but not cut to shape; powder and waste of these products.**	FREE	FREE	FREE
05.08	**Coral and similar materials, unworked or simply prepared but not otherwise worked; shells of molluscs, crustaceans or echinoderms and cuttle-bone, unworked or simply prepared but not cut to shape, powder and waste thereof.**	FREE	FREE	FREE[1)]
05.10	**Ambergris, castoreum, civet and musk; cantharides; bile, whether or not dried; glands and other animal products used in the preparation of pharmaceutical products, fresh, chilled, frozen or otherwise provisionally preserved.**	FREE	FREE	FREE
07.10	**Vegetables (uncooked or cooked by steaming or boiling in water), frozen.**			
0710.40	- Sweet corn	FREE	FREE[1)]	FREE
07.11	**Vegetables provisionally preserved (for example, by sulphur dioxide gas, in brine, in sulphur water or in other preservative solutions), but unsuitable in that state for immediate consumption.**			

HS Code	Description of Products	Iceland	Norway	Switzerland/ Liechtenstein
ex 0711.90	- Other vegetables; mixtures of vegetables:			
	-- Sweet corn (*Zea mays var. saccharata*)	FREE	FREE[1)]	FREE
09.01	**Coffee, whether or not roasted or decaffeinated; coffee husks and skins; coffee substitutes containing coffee in any proportion.**	FREE	FREE	FREE[1)]
09.02	**Tea, whether or not flavoured.**	FREE	FREE	FREE
13.02	**Vegetable saps and extracts; pectic substances, pectinates and pectates; agar-agar and other mucilages and thickeners, whether or not modified, derived from vegetable products.**			
	- Vegetable saps and extracts:			
1302.12	-- Of liquorice	FREE	FREE	FREE
1302.13	-- Of hops	FREE	FREE	FREE
1302.19	-- Other	FREE	FREE	FREE
1302.20	- Pectic substances, pectinates and pectates	FREE	FREE	FREE
	- Mucilages and thickeners, whether or not modified, derived from vegetable products:			
1302.31	-- Agar-agar	FREE	FREE	FREE
1302.32	-- Mucilages and thickeners, whether or not modified, derived from locust beans, locust bean seeds or guar seeds	FREE	FREE	FREE
1302.39	-- Other	FREE	FREE	FREE
14.01	**Vegetable materials of a kind used primarily for plaiting (for example, bamboos, rattans, reeds, rushes, osier, raffia, cleaned, bleached or dyed cereal straw, and lime bark).**	FREE	FREE	FREE
14.04	**Vegetable products not elsewhere specified or included.**	FREE	FREE	FREE[1)]
15.16	**Animal or vegetable fats and oils and their fractions, partly or wholly hydrogenated, inter-esterified, re-esterified or elaidinised, whether or not refined, but not further prepared.**			
ex 1516.20	- Vegetable fats and oils and their fractions:			
	-- Hydrogenated castor oil, so called "opal-wax"	FREE	FREE	FREE
15.17	**Margarine; edible mixtures or preparations of animal or vegetable fats or oils or of fractions of different fats or oils of this Chapter, other than edible fats or oils or their fractions of heading 15.16.**			

HS Code	Description of Products	Iceland	Norway	Switzerland/ Liechtenstein
ex 1517.10	- Margarine, excluding liquid margarine:			
	-- Containing more than 10 % but not more than 15 % by weight of milk fats	*	*	*
ex 1517.90	- Other:			
	-- Containing more than 10 % but not more than 15 % by weight of milk fats	*	(*)	*
	-- Edible mixtures or preparations of a kind used as mould release preparations n.e.s.i	FREE	FREE	FREE
15.18	**Animal or vegetable fats and oils and their fractions, boiled, oxidised, dehydrated, sulphurised, blown, polymerised by heat in vacuum or in inert gas or otherwise chemically modified, excluding those of heading 15.16; inedible mixtures or preparations of animal or vegetable fats or oils or of fractions of different fats or oils of this Chapter, not elsewhere specified or included.**			
ex 1518.00	Linoxyn	FREE	FREE	FREE
15.20	**Glycerol, crude; glycerol waters and glycerol lyes.**	FREE	FREE[1)]	FREE
15.21	**Vegetable waxes (other than triglycerides), beeswax, other insect waxes and spermaceti, whether or not refined or coloured.**	FREE	FREE	FREE
15.22	**Degras; residues resulting from the treatment of fatty substances or animal or vegetable waxes.**	FREE	FREE[1)]	FREE
17.02	**Other sugars, including chemically pure lactose, maltose, glucose and fructose, in solid form; sugar syrups not containing added flavouring or colouring matter; artificial honey, whether or not mixed with natural honey; caramel.**			
1702.50	- Chemically pure fructose	FREE	FREE[1)]	FREE
ex 1702.90	- Other, including invert sugar and other sugar and sugar syrup blends containing in the dry state 50 % by weight of fructose:			
	-- Chemically pure maltose	FREE	(*)	FREE[1)]
17.04	**Sugar confectionery (including white chocolate), not containing cocoa.**	FREE	*	*
18.03	**Cocoa paste, whether or not defatted.**	FREE	FREE	FREE
18.04	**Cocoa butter, fat and oil.**	FREE	FREE	FREE
18.05	**Cocoa powder, not containing added sugar or other sweetening matter.**	FREE	FREE	FREE

HS Code	Description of Products	Iceland	Norway	Switzerland/ Liechtenstein
18.06	**Chocolate and other food preparations containing cocoa.**			
1806.10	- Cocoa powder, containing added sugar or other sweetening matter	FREE	FREE	*
1806.20	- Other preparations in blocks, slabs or bars weighing more than 2 kg or in liquid, paste, powder, granular or other bulk form in containers or immediate packings, of a content exceeding 2 kg	(*)	*	*
	- Other, in blocks, slabs or bars:			
1806.31	-- Filled	*	*	*
1806.32	-- Not filled	(*)	*	*
1806.90	- Other	(*)	*	*
19.01	**Malt extract; food preparations of flour, groats, meal, starch or malt extract, not containing cocoa or containing less than 40 % by weight of cocoa calculated on a totally defatted basis, not elsewhere specified or included; food preparations of goods of headings 04.01 to 04.04, not containing cocoa or containing less than 5 % by weight of cocoa calculated on a totally defatted basis, not elsewhere specified or included.**			
1901.10	- Preparations for infant use, put up for retail sale	FREE	*	*
1901.20	- Mixes and doughs for the preparation of bakers' wares of heading 19.05	(*)	*	*
1901.90	- Other	FREE	(*)	(*)
19.02	**Pasta, whether or not cooked or stuffed (with meat or other substances) or otherwise prepared, such as spaghetti, macaroni, noodles, lasagne, gnocchi, ravioli, cannelloni; couscous, whether or not prepared.**			
	- Uncooked pasta, not stuffed or otherwise prepared:			
1902.11	-- Containing eggs	*	*	*
1902.19	-- Other	FREE	*	*
ex 1902.20	- Stuffed pasta, whether or not cooked or otherwise prepared:			
	-- Other than products containing more than 20 % by weight of sausage, meat, meat offal or blood, or any combination thereof	(*)	*	*
1902.30	- Other pasta	(*)	*	*
1902.40	- Couscous	(*)	*	*

HS Code	Description of Products	Iceland	Norway	Switzerland/ Liechtenstein
19.03	**Tapioca and substitutes therefor prepared from starch, in the form of flakes, grains, pearls, siftings or in similar forms.**	FREE	*	FREE
19.04	**Prepared foods obtained by the swelling or roasting of cereals or cereal products (for example, corn flakes); cereals (other than maize (corn)) in grain form or in the form of flakes or other worked grains (except flour, groats and meal), pre-cooked, or otherwise prepared, not elsewhere specified or included.**			
1904.10	- Prepared foods obtained by the swelling or roasting of cereals or cereal products	FREE	FREE[1)]	*
1904.20	- Prepared foods obtained from unroasted cereal flakes or from mixtures of unroasted cereal flakes and roasted cereal flakes or swelled cereals	FREE	*	*
1904.30	- Bulgur wheat	(*)	*	*
1904.90	- Other	(*)	(*)	(*)
19.05	**Bread, pastry, cakes, biscuits and other bakers' wares, whether or not containing cocoa; communion wafers, empty cachets of a kind suitable for pharmaceutical use, sealing wafers, rice paper and similar products.**			
1905.10	- Crispbread	FREE	*	*
1905.20	- Gingerbread and the like	*	*	*
	- Sweet biscuits; waffles and wafers:			
1905.31	-- Sweet biscuits	*	*	*
1905.32	-- Waffles and wafers	*	*	*
1905.40	- Rusks, toasted bread and similar toasted products	*	*	*
1905.90	- Other	(*)	*	(*)[1)]
20.01	**Vegetables, fruit, nuts and other edible parts of plants, prepared or preserved by vinegar or acetic acid.**			
ex 2001.90	- Other:			
	-- Sweet corn (*Zea mays var. saccharata*); palm hearts; yams, sweet potatoes and similar edible parts of plants containing 5 % or more by weight of starch	FREE	(*)	FREE
20.02	**Tomatoes prepared or preserved otherwise than by vinegar or acetic acid.**			
2002.90	- Other	FREE	FREE	FREE

HS Code	Description of Products	Iceland	Norway	Switzerland/ Liechtenstein
20.04	**Other vegetables prepared or preserved otherwise than by vinegar or acetic acid, frozen, other than products of heading 20.06.**			
ex 2004.10	- Potatoes:			
	-- Edible preparations composed of flour, meal or flakes based on potatoes	FREE	*	*
ex 2004.90	- Other vegetables and mixtures of vegetables:			
	-- Sweet corn (*Zea mays var. saccharata*)	FREE	FREE[1)]	FREE
20.05	**Other vegetables prepared or preserved otherwise than by vinegar or acetic acid, not frozen, other than products of heading 20.06.**			
ex 2005.20	- Potatoes:			
	-- Edible preparations composed of flour, meal or flakes based on potatoes	*	*	*
2005.80	- Sweet corn (*Zea mays var. saccharata*)	FREE	FREE[1)]	FREE
20.06	**Vegetables, fruit, nuts, fruit-peel and other parts of plants, preserved by sugar (drained, glacé or crystallised).**			
ex 2006.00	- Sweet corn *(Zea mays var. saccharata)*	FREE	*	FREE
20.07	**Jams, fruit jellies, marmalades, fruit or nut purée and fruit or nut pastes, obtained by cooking, whether or not containing added sugar or other sweetening matter.**			
2007.10	- Homogenised preparations	FREE	*	*
	- Other:			
2007.91	-- Citrus fruit	FREE	FREE	(*)
2007.99	-- Other	FREE	(*)	(*)
20.08	**Fruit, nuts and other edible parts of plants, otherwise prepared or preserved, whether or not containing added sugar or other sweetening matter or spirit, not elsewhere specified or included.**			
	- Nuts, ground-nuts and other seeds, whether or not mixed together:			
ex 2008.11	-- Ground-nuts:			
	--- Peanut butter	FREE	FREE	*
	--- Ground-nuts, roasted	FREE	*	FREE

HS Code	Description of Products	Iceland	Norway	Switzerland/ Liechtenstein
	- Other, including mixtures other than those of subheading 2008.19:			
2008.91	-- Palm hearts	FREE	FREE[1)]	FREE
ex 2008.99	-- Other:			
	--- Maize (corn) other than sweet corn (*Zea mays var. saccharata*)	FREE	*	FREE
21.01	**Extracts, essences and concentrates, of coffee, tea or maté and preparations with a basis of these products or with a basis of coffee, tea or maté; roasted chicory and other roasted coffee substitutes, and extracts, essences and concentrates thereof.**			
	- Extracts, essences and concentrates, of coffee, and preparations with a basis of these extracts, essences or concentrates or with a basis of coffee:			
2101.11	-- Extracts, essences and concentrates	FREE	FREE	FREE
2101.12	-- Preparations with a basis of extracts, essences or concentrates or with a basis of coffee	FREE	FREE	(*)
2101.20	- Extracts, essences and concentrates, of tea or maté, and preparations with a basis of these extracts, essences or concentrates or with a basis of tea or mate	FREE	FREE	(*)
2101.30	- Roasted chicory and other roasted coffee substitutes, and extracts, essences and concentrates thereof	FREE	FREE	FREE
21.02	**Yeasts (active or inactive); other single-cell micro-organisms, dead (but not including vaccines of heading 30.02); prepared baking powders.**			
2102.10	- Active yeasts	FREE	FREE	FREE[2)]
2102.20	- Inactive yeasts; other single-cell micro-organisms, dead	FREE	FREE[1)]	FREE[1)]
2102.30	- Prepared baking powders	FREE	FREE	FREE
21.03	**Sauces and preparations therefor; mixed condiments and mixed seasonings; mustard flour and meal and prepared mustard.**			
2103.10	- Soya sauce	FREE	FREE	FREE
2103.20	- Tomato ketchup and other tomato sauces	FREE	(*)	FREE
2103.30	- Mustard flour and meal and prepared mustard	FREE	FREE	FREE[1)]
2103.90	- Other	(*)	(*)	FREE

HS Code	Description of Products	Iceland	Norway	Switzerland/ Liechtenstein
21.04	**Soups and broths and preparations therefor; homogenised composite food preparations.**	*	(*)	(*)
21.05	**Ice cream and other edible ice, whether or not containing cocoa.**	Excluded	(*)	*
21.06	**Food preparations not elsewhere specified or included.**			
2106.10	- Protein concentrates and textured protein substances	FREE	*	(*)
ex 2106.90	- Other:			
	-- Other than flavoured or coloured sugar syrups	Excluded	(*)	(*)
22.01	**Waters, including natural or artificial mineral waters and aerated waters, not containing added sugar or other sweetening matter nor flavoured; ice and snow.**	FREE	FREE	FREE
22.02	**Waters, including mineral waters and aerated waters, containing added sugar or other sweetening matter or flavoured, and other non-alcoholic beverages, not including fruit or vegetable juices of heading 20.09.**			
2202.10	- Waters, including mineral waters and aerated waters, containing added sugar or other sweetening matter or flavoured	FREE	FREE	FREE
2202.90	- Other	(*)	(*)	(*)
22.03	**Beer made from malt.**	FREE	FREE	FREE
22.05	**Vermouth and other wine of fresh grapes flavoured with plants or aromatic substances.**	FREE	FREE	FREE
22.07	**Undenatured ethyl alcohol of an alcoholic strength by volume of 80 % vol or higher; ethyl alcohol and other spirits, denatured, of any strength.**			
2207.20	- Ethyl alcohol and other spirits, denatured, of any strength	FREE	FREE	FREE
22.08	**Undenatured ethyl alcohol of an alcoholic strength by volume of less than 80 % vol; spirits, liqueurs and other spirituous beverages.**			
2208.20	- Spirits obtained by distilling grape wine or grape marc	FREE	FREE	FREE
2208.30	- Whiskies	FREE	FREE	FREE
2208.40	- Rum and other spirits obtained by distilling fermented sugar-cane products	FREE	FREE	FREE
2208.50	- Gin and Geneva	FREE	FREE	FREE
2208.60	- Vodka	FREE	FREE	FREE

HS Code	Description of Products	Iceland	Norway	Switzerland/ Liechtenstein
2208.70	- Liqueurs and cordials	FREE	FREE	FREE
2208.90	- Other	FREE	FREE	(*)
22.09	**Vinegar and substitutes for vinegar obtained from acetic acid.**	FREE	FREE	FREE

* = Duty in accordance with Articles 1 and 2.
FREE = No customs duty in accordance with Article 2.3 of the Agreement.
(*) = Contains also tariff lines which are free.
1) = Products for feed purposes: Norway: partial concessions; Switzerland: no concessions.
2) = Concessions not granted for baker's yeast and for products for feed purposes.