

Trade Policy Review Body

TRADE POLICY REVIEW

ICELAND

Report by the Secretariat

Corrigendum

In the Summary Observations, paragraph 12, please replace third sentence with: "The entire agricultural tariff and some 92.5% of industrial lines were bound as a result of the Uruguay Round negotiations; in all some 94% of lines are bound".

In Chapter III, paragraph 1, replace second sentence with: "The average MFN tariff rate is low, about 4%, with some two-thirds of tariff lines duty free; the entire agricultural tariff and some 92.5% of industrial lines were bound as a result of the Uruguay Round negotiations; in all some 94% of lines are bound".

In Chapter III, paragraph 13, please replace the second and third sentences with: "All agricultural lines and some 92.5% of industrial lines are bound, at an average rate of 18.9% (excluding out-of-quota rates) or 29.2% (excluding in-quota rates). Bound rates range from zero to 573% for some dairy products".

In Chapter IV, paragraph 12, third line, replace 66% with 57% and 110.7% with 109.7%.

In Chapter IV, paragraph 143, replace "cargo sharing" with "national security".

Please replace Tables III.1 and AIII.1 and Charts III.3 and III.4 with the attached tables and charts.

Table III.1
Summary analysis of Iceland's bound tariff, 1995-2000^a

Analysis	1995	2000			
	Base tariff rate ^b (%)	Final tariff rate (%)	Range (%)	CV (%)	Standard deviation
A. Excluding out-quota rates^c					
Total	27.7	18.9	0-563	230.7	43.6
By WTO definition					
Agriculture ^d	73.5	57.0	0-563	153.7	87.6
Coffee and tea, cocoa, sugar, etc.	57.2	43.9	0-304	106.8	46.9
Fruit and vegetables	46.1	34.2	0-283	96.5	33.0
Tobacco	33.4	16.9	9-25	29.6	5.0
Grains	80.5	65.1	0-180	130.1	84.7
Live animals and products thereof	188.6	161.7	4-422	46.0	74.4
Dairy products	457.9	395.7	40-563	43.1	170.6
Manufactures	16.7	9.7	0-175	139.2	13.5
Fish and fishery products	21.3	8.1	0-175	395.1	32.0
By sector^e					
Agriculture and fisheries	58.9	40.2	0-563	196.5	79.0
Mining	2.0	1.7	0-35	258.8	4.4
Manufacturing	26.3	18.0	0-536	231.1	41.6
By stage of processing					
Raw materials	31.8	21.4	0-563	275.7	59.0
Semi-processed products	7.6	5.3	0-175	360.4	19.1
Fully processed products	37.7	25.7	0-536	189.9	48.8
B. Excluding in-quota rates^f					
Total	43.8	29.2	0-573	327.1	95.5
By WTO definition					
Agriculture ^d	156.0	109.7	0-573	127.6	140.0
Coffee and tea, cocoa, sugar, etc.	104.1	63.8	0-406	99.2	63.3
Fruit and vegetables	134.7	99.2	0-468	119.1	118.1
Tobacco	33.4	16.9	9-25	29.6	5.0
Grains	175.0	87.5	0-175	85.6	74.9
Live animals and products thereof	444.6	359.6	229-457	20.1	72.2
Dairy products	548.1	465.2	47-573	28.7	133.6
Manufactures	16.8	9.8	0-175	137.8	13.5
Fish and fishery products	22.2	8.5	0-175	376.5	32.0
By sector^e					
Agriculture and fisheries	112.9	75.6	0-563	156.1	118.0
Mining	2.0	1.7	0-35	258.8	4.4
Manufacturing	40.4	26.9	0-573	262.1	70.5

Table III.1 (cont'd)

Analysis	1995	2000			
	Base tariff rate ^b (%)	Final tariff rate (%)	Range (%)	CV (%)	Standard deviation
By stage of processing					
Raw materials	61.2	40.5	0-563	231.1	93.6
Semi-processed products	11.9	6.7	0-252	341.8	22.9
Fully processed products	57.2	38.8	0-573	217.3	84.3

Note: CV = coefficient of variation.

- a Iceland Schedule LXII of January 1997 including GATT concessions prior to Uruguay Round (GATT 1967 and 1979).
- b Base rate of duty for agricultural products subject to tariff quotas is composed of a specific rate (SDR/Kg) and an *ad valorem* rate. For such lines, the highest of the duties may apply. Only the *ad valorem* duty were used for the analysis.
- c In-quota rates taken from Section I.B Column 4 of Schedule LXII-Iceland or 32% of base rate of duty.
- d The reduction of tariffs were implemented in six annual instalments for agricultural products (except for HS 1504 and 1603-1605 that have a five year phasing), and five annual instalments for manufacturing products beginning 1995 and ending in 2000.
- e ISIC (Rev.2) classification.
- f Out-quota rates taken from Section I.A Column 3b of Schedule LXII-Iceland.

Source: WTO Secretariat estimates, based on data provided by the schedule of commitments, LXII-Iceland; and data provided by the Icelandic authorities.

Table AIII.1

Average bound tariffs by HS2, 1995-2000^a

Code	Description	Number of lines			Bound rates			
		Total	Bound	Partially Bound	1995	2000		
					Base rate (%)	Final rate (%)	Minimum (%)	Maximum (%)
	Total/Average	7,541	7,078	61	27.7	18.9	0.0	563.0
01	Live animals	21	21	0	422.5	270.3	229.0	344.0
02	Meat and edible meat offal	118	117	1	164.2	152.9	114.6	422.0
03	Fish and crustaceans, molluscs, etc.	263	255	0	0.0	0.0	0.0	0.0
04	Dairy produce; birds' eggs; natural honey; etc.	40	40	0	406.7	353.7	22.0	563.0
05	Products of animal origin, n.e.s.	39	39	0	34.6	16.0	0.0	175.0
06	Live trees and other plants; etc.	33	33	0	40.0	39.1	0.0	51.0
07	Edible vegetables and certain roots and tubers	85	85	0	47.7	41.4	0.0	283.0
08	Edible fruit and nuts; peel of citrus fruit or melons	63	63	0	26.6	13.3	0.0	40.0
09	Coffee, tea, maté and spices	37	37	0	55.7	27.8	0.0	40.0
10	Cereals	31	31	0	80.5	65.1	0.0	180.0
11	Products of the milling industry	68	68	0	90.8	72.5	0.0	175.0
12	Oil seeds and oleaginous fruits; miscellaneous grains, etc.	60	60	0	53.0	26.7	0.0	175.0
13	Lac; gums, resins and other vegetable saps and extracts	17	17	0	6.5	3.2	0.0	25.0
14	Vegetable plaiting materials; etc.	11	11	0	10.4	5.4	0.0	9.0
15	Animal or vegetable fats and oils, etc.	100	99	1	51.5	31.3	0.0	119.0
16	Preparations of meat, of fish or of crustaceans, etc.	107	107	0	81.6	55.1	4.1	337.0
17	Sugars and sugar confectionery	48	48	0	38.0	25.0	0.0	175.0
18	Cocoa and cocoa preparations	35	35	0	26.9	23.6	0.0	39.0
19	Preparations of cereals, flour, starch or milk; etc.	86	86	0	56.6	45.7	13.0	219.0
20	Preparations of vegetables, fruit, nuts, etc.	91	91	0	52.1	37.7	10.0	237.0
21	Miscellaneous edible preparations	73	73	0	43.8	33.8	0.0	82.0
22	Beverages, spirits and vinegar	176	176	0	11.2	6.2	0.0	23.0
23	Residues and waste from the food industries; etc.	44	43	0	233.0	130.6	0.0	179.0
24	Tobacco and manufactured tobacco substitutes	12	12	0	33.4	16.9	9.0	25.0
25	Salt; sulphur; earths and stone; etc.	86	86	0	3.4	2.9	0.0	35.0
26	Ores, slag and ash	34	34	0	1.6	1.4	0.0	7.0
27	Mineral fuels, mineral oils and products, etc.	56	44	0	3.1	3.0	0.0	50.0
28	Inorganic chemicals; organic or inorganic compounds, etc.	192	192	0	0.5	0.2	0.0	5.5
29	Organic chemicals	343	343	0	0.2	0.0	0.0	5.5
30	Pharmaceutical products	60	60	0	9.1	1.2	0.0	20.0
31	Fertilisers	26	0	5	0.0	0.0	0.0	0.0
32	Tanning or dyeing extracts; etc.	72	66	0	16.8	3.7	0.0	7.0
33	Essential oils and resinoids; perfumery, cosmetic preparations, etc.	52	50	2	28.1	7.8	0.0	29.0
34	Soap, organic surface-active agents, washing preparations, etc.	49	49	0	30.5	7.3	0.0	10.0
35	Albuminoid substances; modified starches; glues; etc.	24	24	0	27.0	14.9	0.0	176.0
36	Explosives; pyrotechnic products; matches; etc.	9	4	0	41.3	12.5	10.0	20.0
37	Photographic or cinematographic goods	54	54	0	18.9	7.9	0.0	20.0
38	Miscellaneous chemical products	73	72	1	23.9	7.3	0.0	107.0
39	Plastics and articles thereof	255	255	0	11.0	4.6	0.0	19.0
40	Rubber and articles thereof	97	84	0	16.6	9.7	0.0	35.0
41	Raw hides and skins (other than furskins) and leather	56	56	0	7.3	5.4	0.0	12.0
42	Articles of leather; etc.	27	27	0	35.4	22.9	0.0	35.0
43	Furskins and artificial fur; manufactures thereof	31	31	0	17.9	13.0	0.0	21.0
44	Wood and articles of wood; wood charcoal	168	163	5	16.1	10.0	0.0	35.0
45	Cork and articles of cork	19	19	0	26.7	15.7	0.0	35.0
46	Manufactures of straw, of esparto, etc.	10	10	0	47.6	22.9	0.0	35.0
47	Pulp of wood or of other fibrous cellulosic material; etc.	20	20	0	0.0	0.0	0.0	0.0
48	Paper and paperboard; etc.	131	114	2	18.1	11.7	0.0	35.0
49	Printed books, newspapers, pictures, etc.	31	12	9	16.2	11.5	0.0	32.0
50	Silk	13	13	0	6.0	5.1	0.0	11.0
51	Wool, fine or coarse animal hair; etc.	51	44	0	4.3	3.8	0.0	12.0
52	Cotton	208	159	0	0.1	0.1	0.0	11.0
53	Other vegetable textile fibres; etc.	39	29	0	4.9	4.5	0.0	13.0
54	Man-made filaments	104	104	0	3.9	3.8	0.0	9.0
55	Man-made staple fibres	194	182	0	3.4	3.4	0.0	9.0

Table AIII.1 (cont'd)

Code	Description	Number of lines			Bound rates			
		Total	Bound	Partially Bound	1995	2000		
					Base rate (%)	Final rate (%)	Minimum (%)	Maximum (%)
56	Wadding, felt and nonwovens; twine, cordage, ropes, etc.	60	60	0	10.2	8.3	0.0	24.0
57	Carpets and other textile floor coverings	28	28	0	36.3	25.5	18.0	28.0
58	Special woven fabrics; tufted textile fabrics; lace; etc.	48	48	0	11.6	9.6	0.0	21.0
59	Impregnated, coated, covered or laminated textile fabrics; etc.	26	26	0	13.2	10.0	0.0	24.0
60	Knitted or crocheted fabrics	18	18	0	10.7	9.9	7.0	12.0
61	Articles of apparel and clothing accessories, knitted or crocheted	132	132	0	28.7	19.8	8.0	21.0
62	Articles of apparel and clothing accessories, not knitted	126	126	0	30.2	20.6	12.0	21.0
63	Other made up textile articles; sets; worn clothing, etc.	98	98	0	26.0	18.6	0.0	25.0
64	Footwear, gaiters and the like; parts of such articles	56	56	0	31.1	21.0	0.0	35.0
65	Headgear and parts thereof	11	11	0	38.0	23.6	6.0	35.0
66	Umbrellas, sun umbrellas, walking-sticks, etc.	7	7	0	33.6	23.6	18.0	31.0
67	Prepared feathers and down and articles thereof	8	8	0	55.6	28.1	24.0	35.0
68	Articles of stone, plaster, etc.	80	80	0	35.0	19.7	0.0	35.0
69	Ceramic products	29	29	0	35.5	20.2	0.0	35.0
70	Glass and glassware	78	74	4	36.8	21.5	0.0	35.0
71	Natural or cultured pearls, precious or semi-precious stones, etc.	60	60	0	16.2	9.6	0.0	35.0
72	Iron and steel	192	192	0	2.0	0.7	0.0	5.0
73	Articles of iron or steel	149	142	0	18.7	11.1	0.0	35.0
74	Copper and articles thereof	76	76	0	14.1	8.6	0.0	35.0
75	Nickel and articles thereof	21	21	0	12.4	7.5	0.0	35.0
76	Aluminium and articles thereof	59	57	0	19.4	11.8	0.0	35.0
78	Lead and articles thereof	17	17	0	6.6	4.9	0.0	24.0
79	Zinc and articles thereof	14	14	0	13.7	8.0	0.0	21.0
80	Tin and articles thereof	11	11	0	8.3	5.2	0.0	29.5
81	Other base metals; cermets; articles thereof	36	36	0	1.9	1.4	0.0	24.0
82	Tools, implements, cutlery, spoons and forks, etc.	69	69	0	23.2	13.0	3.0	35.0
83	Miscellaneous articles of base metal	39	37	1	21.5	15.2	0.0	35.0
84	Nuclear reactors, boilers, machinery, etc.	622	604	6	11.5	6.3	0.0	35.0
85	Electrical machinery and equipment and parts thereof	418	390	4	28.9	19.7	0.0	35.0
86	Railway or tramway locomotives, rolling-stock and parts thereof	24	24	0	0.3	0.3	0.0	6.0
87	Vehicles other than railway or tramway rolling-stock, etc.	189	21	11	28.5	21.1	0.0	35.0
88	Aircraft, spacecraft, and parts thereof	15	0	0	0.0	-	-	-
89	Ships, boats and floating structures	32	23	0	7.3	5.7	0.0	14.0
90	Optical, photographic, cinematographic, instruments etc.	170	168	0	24.9	14.2	0.0	35.0
91	Clocks and watches and parts thereof	56	53	1	33.2	22.7	17.0	35.0
92	Musical instruments; parts and accessories of such articles	25	25	0	43.2	30.2	10.5	35.0
93	Arms and ammunition; parts and accessories thereof	23	21	1	45.8	29.5	4.0	35.0
94	Furniture; bedding, mattresses, etc.	64	57	7	40.0	25.4	0.0	35.0
95	Toys, games and sports requisites; parts and accessories thereof	51	50	0	45.0	27.8	4.0	35.0
96	Miscellaneous manufactured articles	55	55	0	49.4	27.1	0.0	35.0
97	Works of art, collectors' pieces and antiques	7	7	0	6.8	3.9	0.0	27.6

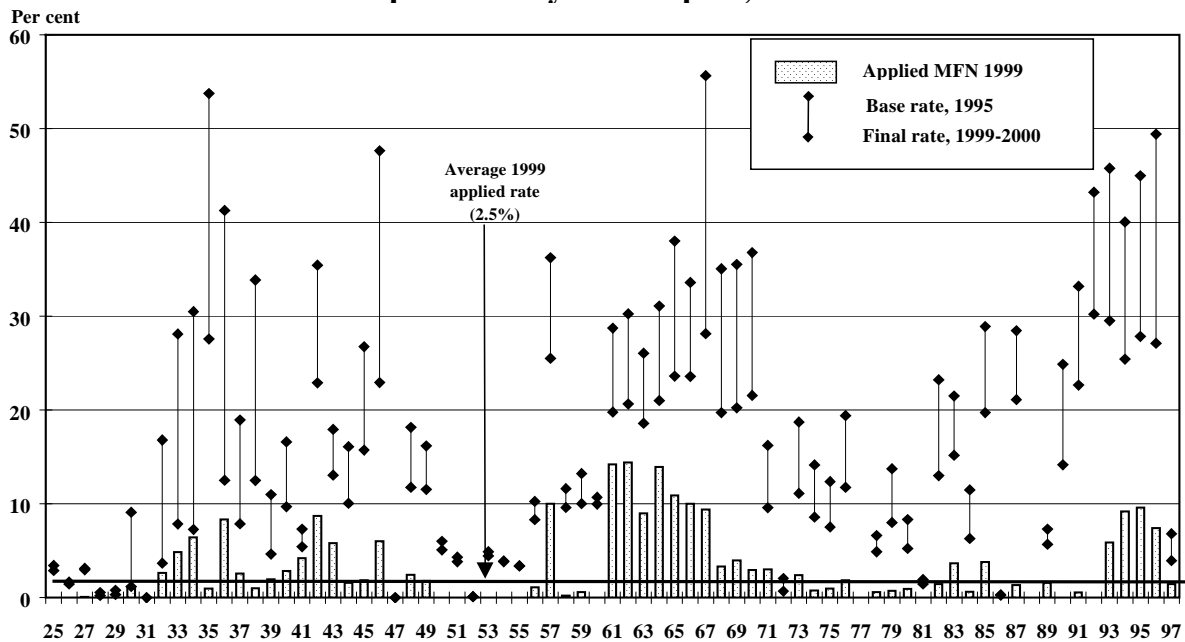
- Not applicable.

a Based on *ad valorem* bound rates only excluding out-of-quota rates.

Source: WTO Secretariat estimates based on data provided by the Icelandic authorities.

Chart III.3

Tariffs on manufactured products by HS chapter, 1995-2000

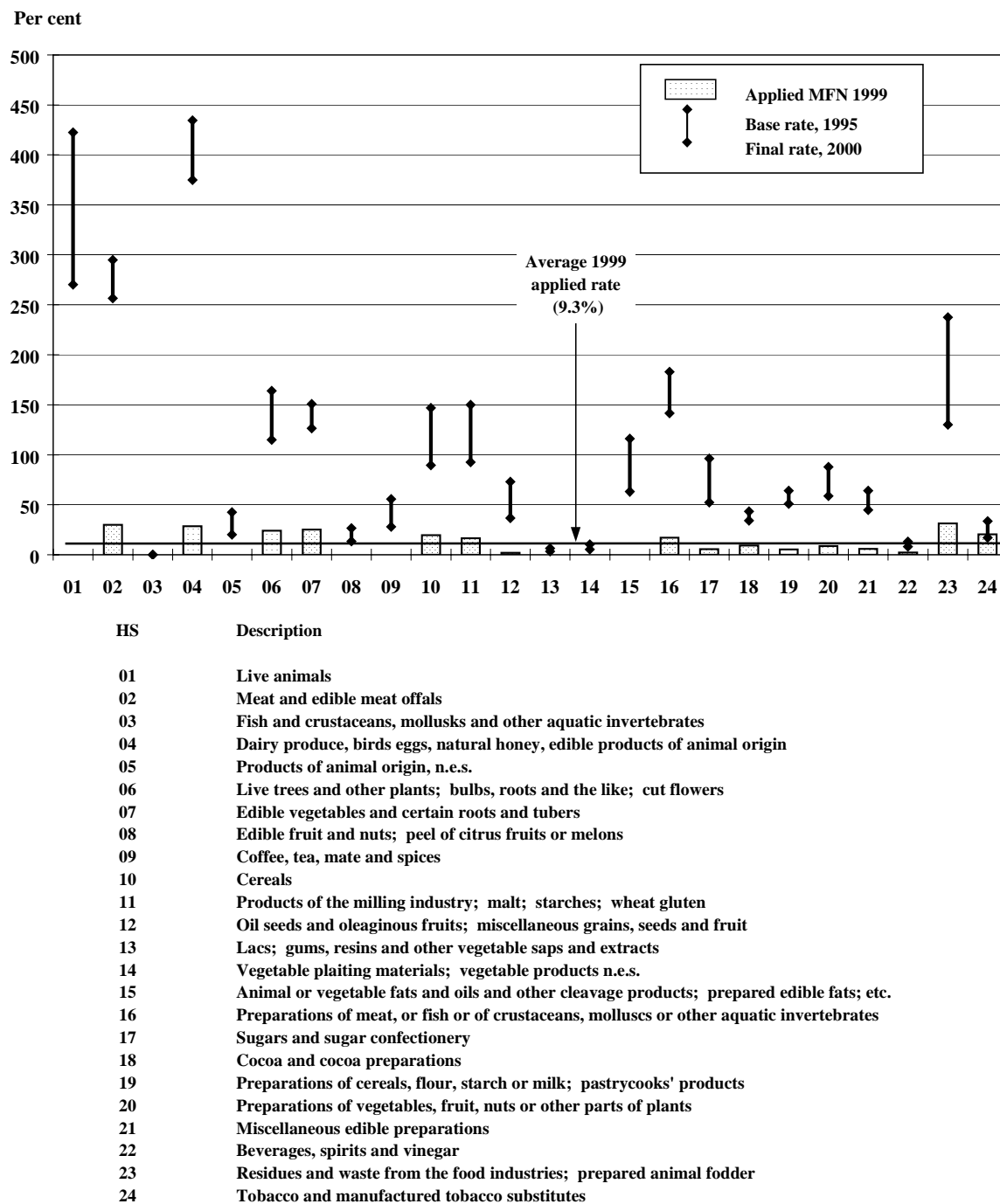


HS	Description	HS	Description	HS	Description
25	Salt; sulphur; earths and stone, etc.	48	Paper and paper board, etc.	72	Iron and steel
26	Ores, slag and ash	49	Printed books, newspapers, etc.	73	Articles of iron and steel
27	Mineral fuels, mineral oils, etc.	50	Silk	74	Articles of iron and steel
28	Inorganic chemicals; organic or inorganic compounds of precious metals, etc.	51	Wool; fine or coarse animal hair, etc.	75	Nickel and articles thereof
29	Organic chemicals	52	Cotton	76	Aluminium etc.
30	Pharmaceutical products	53	Other vegetable textile fibres	77	unassigned chapter.
31	Fertilizers	54	Man-made filaments	78	Lead and articles thereof
32	Tanning or dyeing extracts etc.	55	Man-made staple fibres	79	Zinc and articles thereof
33	Essential oils and resinoids; perfumery, cosmetic or toilet preparations	56	Wadding, felt and non-wovens; special yarns; twine, cordage, etc.	80	Tin and articles thereof
34	Soap, organic surface-active agents washing prep., etc.	57	Carpets; other textile floor coverings	81	Other base metals, etc.
35	Albuminoidal substances; modified starches; glues, etc.	58	Special woven fabrics; lace, etc.	82	Tools, implements, cutler spoons and forks, etc.
36	Explosives; pyrotechnic products; matches, etc.	59	Impregnated, coated, covered or laminated textile fabrics, etc.	83	Misc. articles of base metals
37	Photographic or cinematographic goods	60	Knitted or crocheted fabrics	84	Nuclear reactors, boilers, machinery, etc.
38	Miscellaneous chemical products	61	Articles of apparel and clothing accessories, knitted or crocheted	85	Electrical machinery and equipment, etc.
39	Plastics and articles thereof	62	Articles of apparel and clothing accessories, not knitted, etc.	86	Railway or tramway locomotives, etc.
40	Rubber and articles thereof	63	Other made-up textile articles; sets, worn clothing, etc.	87	Vehicles other than railway or tramway rolling-stock; etc.
41	Raw hides and skins and leather	64	Footwear, gaiters, etc.	88	Aircraft, spacecraft, etc.
42	Articles of leather, etc.	65	Headgear and parts thereof	89	Ships, boats, etc.
43	Furskins and artificial fur; manufactures thereof	66	Umbrellas, walking-sticks, etc.	90	Optical, photographic, etc. apparatus
44	Wood and articles of wood, etc.	67	Prepared feathers and down, etc.	91	Clocks and watches, etc.
45	Cork and articles of cork	68	Articles of stone, plaster, etc.	92	Musical instruments, etc.
46	Manuf. of straw, of esparto, etc.	69	Ceramic products	93	Arms and ammunition, etc.
47	Pulp of wood or of other fibrous cellulosic material	70	Glass and glassware	94	Furniture, bedding, etc.
		71	Natural or cultured pearls, precious or semi-precious stones, precious metals, etc.	95	Toy, games, etc.
				96	Miscellaneous manuf. articles
				97	Works of art, antiques, etc.

Note: No entries for HS Chapter 77. In manufacturing the bound 1999 rate is the final rate.

Source: WTO Secretariat calculations, based on data provided by the Icelandic authorities; and Schedule LXII - Iceland, 1997.

Chart III.4
Tariffs on agricultural products by HS chapter, 1995-2000



Note: The HS definition of agriculture is different from that of the WTO.

Source: WTO Secretariat calculations, based on data provided by the Icelandic authorities; and Schedule LXII - Iceland, 1997.