



Committee on Regional Trade Agreements

FACTUAL PRESENTATION

**ASSOCIATION AGREEMENT BETWEEN THE UNITED KINGDOM AND TUNISIA
(GOODS)**

Report by the Secretariat

This report, prepared for the consideration of the Association Agreement between the United Kingdom and Tunisia, has been drawn up by the WTO Secretariat on its own responsibility and in full consultation with the Parties. The factual presentation reproduces as closely as possible the terminology used in the Agreement and in the comments provided and does not imply official endorsement or acceptance by the Secretariat of such terminology. The report has been drawn up in accordance with the rules and procedures contained in the Decision for a Transparency Mechanism for Regional Trade Agreements (WT/L/671) and thus does not imply any value judgement by the Secretariat regarding the contents of the Agreement.

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Key Facts**Parties to the Agreement:** United Kingdom and Tunisia**Date of Signature:** 4 October 2019**Date of Entry into Force:** 1 January 2021**Date of Notification:** 31 December 2020**Full implementation:** 1 January 2021

The Factual Presentation describes the Agreement establishing an Association between the United Kingdom (UK) and Tunisia (hereinafter referred to as "the Agreement") which was concluded by the Parties and entered into force on 1 January 2021. Nevertheless, as the Agreement preserves most of the links between the Parties under the 1995 Euro-Mediterranean Agreement establishing an Association between European Union and Tunisia, the factual presentation also refers, like the Agreement, to the EU-Tunisia Agreements.¹

1 TRADE ENVIRONMENT

1.1. In 2020, the UK's total merchandise trade was valued at USD 1,039.4 billion (exports of USD 404.7 billion and imports of USD 634.7 billion). The UK was the eighth largest exporter and the fifth largest importer of global merchandise trade (2.3% of total exports and 3.6% of total imports). In comparison, Tunisia's total merchandise trade was valued at USD 32.2 billion (exports of USD 13.8 billion and imports of USD 18.4 billion). It was the 55th largest exporter and the 50th largest importer of global merchandise trade (0.08% of total exports and 0.1% of total imports). Both Parties' trade is dominated by manufactured products which made up 71.6% and 66.1% of the UK's total merchandise exports and imports respectively, and 81.7% and 67.5% of exports and imports respectively for Tunisia.²

1.2. Bilaterally, in 2020, the UK was Tunisia's 11th largest source of imports and 4th largest destination for exports (imports of 1.2% and exports of 2.2%), while Tunisia was the UK's 60th largest source of imports and 58th largest export destination (imports of 0.03% and exports of 0.05%).³

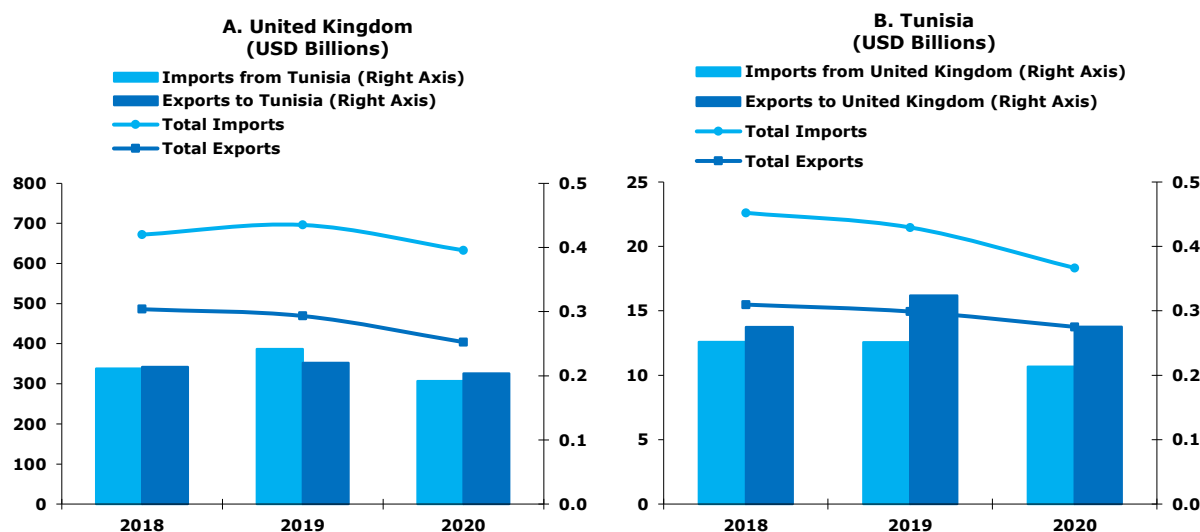
1.3. Chart 1.1 shows the trend in the Parties' global and bilateral trade for 2018-2020. Both Parties have maintained a global trade deficit over this period. The UK's trade deficit increased from USD 185.8 billion in 2018 to USD 227 billion in 2019 and USD 228.7 billion in 2020. In contrast, Tunisia's trade deficit declined from USD 7.1 billion in 2018 to USD 6.5 billion in 2019 and USD 4.6 billion in 2020. Tunisia maintained a trade surplus with the UK for this period although data from the UK shows a small surplus with Tunisia in 2020 due to data discrepancies.⁴

¹ EU-Tunisia Agreements refer to the Euro-Mediterranean Agreement establishing an Association between the European Communities and their Member States, of the one part, and Tunisia, of the other part, done at Brussels on 17 July 1995, as amended later (hereinafter referred to as the "EU-Tunisia Association Agreement") including associated agreements and protocols notably the Protocol Establishing a Dispute Settlement Mechanism applicable to disputes under the trade provisions of the EU-Tunisia Association Agreement, done at Brussels on 9 December 2009.

² Data extracted from the WTO Trade Profiles 2020, as of January 2022, using 2019 reported data. Ranks in world trade and the shares exclude intra-EU trade.

³ Data from UNSD Comtrade database for Tunisia and based on data provided by the authority for UK.

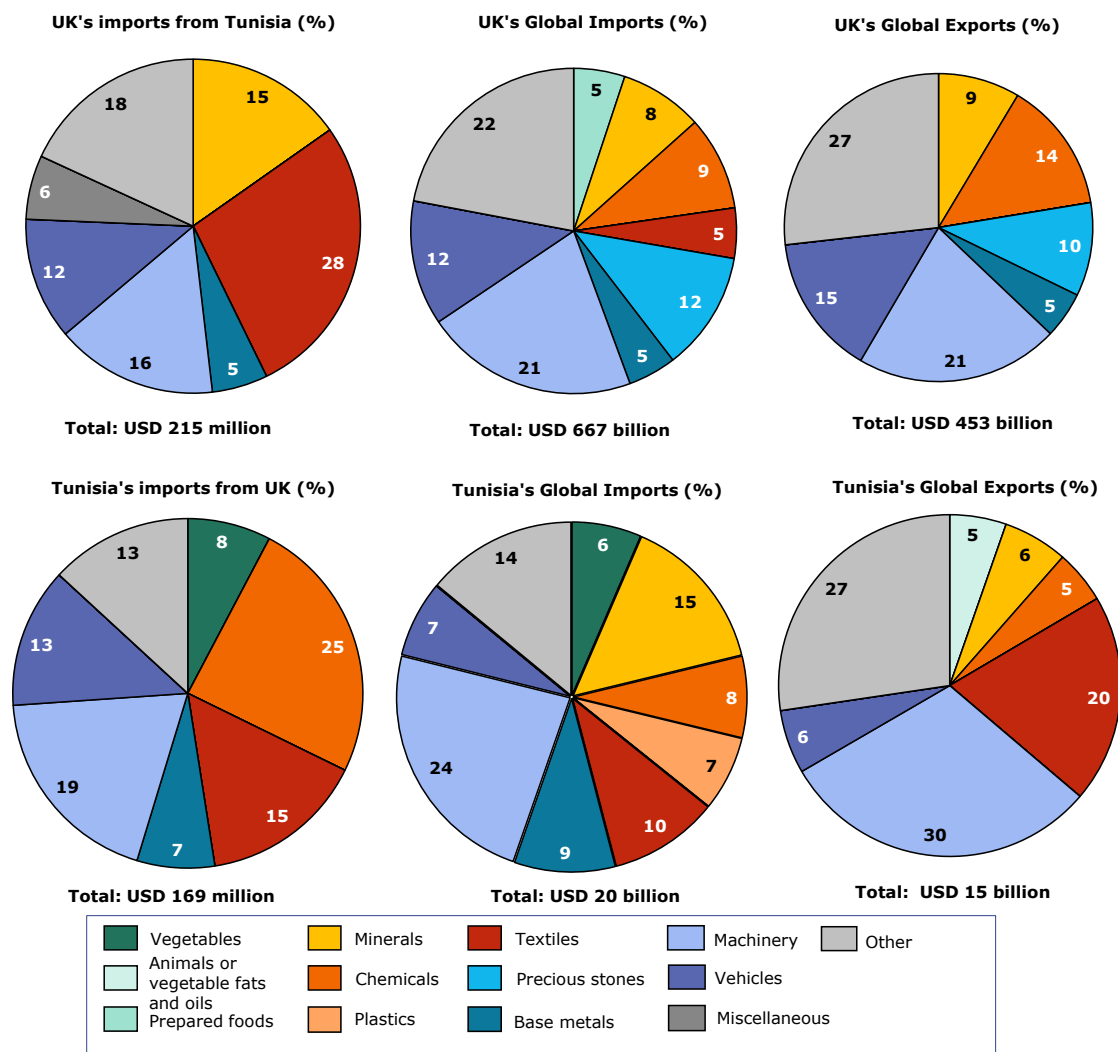
⁴ The UK confirms that the values reflected are from their official statistics at the time of submission of data. Asymmetries can be caused by a range of conceptual and measurement variations between the estimation practices of different countries.

Chart 1.1 United Kingdom - Tunisia: Merchandise bilateral trade and with world (2018-2020)

Source: Based on data provided by the Parties and UNSD, Comtrade database.

1.4. Chart 1.2 shows the product composition of merchandise trade between the Parties and their global imports and exports in 2018-2020 based on Harmonized System (HS) Sections. The data shows the complementarities in trade between the Parties. During the period 2018-2020, the UK's three main export products categories – machinery; vehicles, aircraft and vessels; and chemical products – made up an average of 50% of its total exports, and these were also Tunisia's major imports from the UK (57% of Tunisia's imports from the UK). Over the same period, Tunisia's three main export products categories – machinery, textiles, and mineral products – made up 56% of its total exports and 58% of the UK's imports from Tunisia. Other imports of product categories with a large share in bilateral imports are vehicles, aircraft, and vessels, which constituted 12% of the UK's total imports from Tunisia, and textiles which amounted to 15% of Tunisia's total imports from the UK.

Chart 1.2 United Kingdom - Tunisia: product composition of merchandise trade, by HS Section, annual average (2018-2020)



Note: The HS sections having less than 5% of the share of trade are shown under the 'Other' category in the Chart.

Mirror data used for Tunisia's global trade for 2020 sourced from TradeMap.

Exchange rates used:

The UK: from GBP to USD: 0.75 (2018), 0.78 (2019), 0.78 (2020).

Tunisia: TND to USD: 2.65 (2018), 2.93 (2019), 2.81 (2020).

Source: Based on data provided by the UK and Tunisian authorities, Trademap and UNSD, Comtrade database.

2 CHARACTERISTIC ELEMENTS OF THE AGREEMENT

2.1 Background information

2.1. The Agreement was signed on 4 October 2019 and notified to the WTO on 31 December 2020 under Article XXIV:7(a) of GATT 1994 and its understanding.⁵ It entered into force on 1 January 2021. Prior to this Agreement, trade relations between UK and Tunisia were governed by the EU-Tunisia Agreements, which ceased to apply to the UK as of 1 January 2021.⁶

⁵ See document WT/REG433/N/1.

⁶ For more information on the EU-Tunisia Association Agreement, refer to the WTO documents series WT/REG69.

2.2. The text of the Agreement, together with its annexes, is available on the Parties' official websites:

The UK: [UK/Tunisia: Agreement establishing an Association \[CS Tunisia No.1/2019\] - GOV.UK](#)

Tunisia: NA.

2.3. The Agreement itself contains only eleven Articles and two Annexes. However, it incorporates most of the provisions of the EU-Tunisia Agreements (also referred to, in this report, as "the incorporated Agreements") as referenced in Article 3 of the Agreement. A few modifications to the incorporated Agreements have been made by the Parties which are contained in the Annexes I and II to the Agreement.⁷ Modifications regarding the EU-Tunisia Association Agreement are contained in Annex I to the Agreement and modifications to Protocol 4 (on rules of origin) and the EU-Tunisia Joint Declarations concerning Andorra and San Marino are contained in Annex II. The Protocol Establishing a Dispute Settlement Mechanism (EU-Tunisia Dispute Settlement Mechanism Protocol) has not been modified. The Agreement is also complemented by a Joint Declaration concerning a trilateral approach to rules of origin. Boxes 2.1 and 2.2 below summarize the structure of the Agreement and of the incorporated Agreements.

Box 2.1 Structure of the Agreement

| Articles of the UK-Tunisia Agreement | Title/description |
|---|--|
| Preamble | |
| Article 1 | Objective |
| Article 2 | Definitions and interpretation |
| Article 3 | Incorporation of the EU-Tunisia Agreements |
| Article 4 | References to European Union Law |
| Article 5 | References to the euro |
| Article 6 | Territorial application |
| Article 7 | Continuation of time periods |
| Article 8 | Further provision in relation to the Association Council and the Association Committee |
| Article 9 | Integral parts of this Agreement |
| Article 10 | Amendments |
| Article 11 | Entry into force |
| Annex I | Modifications to the incorporated Agreement |
| Annex II | Modifications to the incorporated Protocol 4 (Concerning the definition of originating products and methods of administrative cooperation) |
| Joint Declaration | Concerning a trilateral approach to rules of origin |

Source: WTO Secretariat based on the Agreement.

Box 2.2 Structure of the Incorporated Agreements

| Chapters and Articles of the EU-Tunisia Association Agreement and other related instruments | Title/description | Modifications through Annexes to the Agreement |
|--|---|---|
| Preamble (Articles 1 and 2) | | |
| Title I (Articles 3 to 5) | Political Dialogue | Annex I: modifications to Article 1(2), 3(1) and 5. |
| Title II (Articles 6 to 30) | Free Movement of Goods | Annex I: modifications to Articles 18(1), 21, and 23(2) |
| Title III (Articles 31 and 32) | Right of Establishment and Services | |
| Title IV (Articles 33 to 41) | Payments, Capital Movements and Other Economic Provisions | Annex I: modification to Articles 36 and 40. |

⁷ As stated in the preamble of The Agreement, it also takes account of the protocol establishing a forum for political, economic, and cultural dialogue between United Kingdom and Tunisia ("the Tunisia-United Kingdom Bilateral Forum Protocol") done at Tunis on 25 February 2009.

| Chapters and Articles of the EU-Tunisia Association Agreement and other related instruments | Title/description | Modifications through Annexes to the Agreement |
|--|--|---|
| Title V (Articles 42 to 63) | Economic Cooperation | Annex I: modifications to Articles 47(a), 49(a), 51(a), 52, 55(a) (b) (c), 57(d), 61(2), and 62 (3)(c). |
| Title VI (Articles 64 to 74) | Cooperation in Social and Cultural Matters | Annex I: modifications to Articles 65(1)(2) and 67(1)(2) |
| Title VII (Articles 75 to 77) | Financial Cooperation | Annex I: modification to Article 76 |
| Title VIII (Articles 78 to 96) | Institutional, General and Final Provisions | Annex I: modifications to Articles 78, 79(4), 82(1)(3), 85, 86(4), 92, 93, and 95 |
| Annex 1 | List of products referred to in Article 10(1) (retention of an agricultural component in respect of goods originating in Tunisia) | |
| Annex 2 | List of products referred to in Articles 10(2) (retention of an agricultural component in respect of goods originating in [the EU]) | |
| Annex 3 | List of products referred to in Articles 11(2) (customs duties and charges having equivalent effect applicable on imports into Tunisia of processed agricultural products originating in [the EU] that shall be progressively eliminated) | |
| Annex 4 | List of products referred to in Articles 11(3) (customs duties and charges having equivalent effect applicable on imports into Tunisia of processed agricultural products originating in [the EU] that shall be progressively eliminated) | |
| Annex 5 | List of products referred to in Articles 11(3) (customs duties and charges having equivalent effect applicable on imports into Tunisia of processed agricultural products originating in [the EU] that shall be progressively eliminated) | |
| Annex 6 | List of products referred to in Article 12 (exception to the application of provisions of Articles 10, 11 and 19(b)) The arrangements to be applied to such products shall be re-examined by the Association Council four years after the Agreement's entry into force) | |
| Annex 7 | Intellectual, Industrial and Commercial Property referred to in Article 39 (level of protection and periodic reviews) | Annex I: modification to paragraph 1 |
| Protocol 1 | Concerning the arrangement applicable to the importation into [the EU] of agricultural products (listed in the Protocol) originating in Tunisia | Annex I: modifications to Article 3, and in the Annex (table of tariff quotas) |
| Protocol 2 | Concerning the arrangement applicable to the importation into [the EU] of fishery products originating in Tunisia | Annex I: modification to footnote (1) |
| Protocol 3 | Concerning the arrangement applicable to the importation into Tunisia of agricultural products originating in [the EU] | Annex I: modifications to quota administration period and to the table for Tariffs Rate Quotas volume. |
| Protocol 4 | Concerning the definition of the 'originating products' and methods of administrative cooperation | Annex II: it sets out text which replaces the text in Protocol 4 of EU-Tunisia Association Agreement |
| Protocol 5 | Concerning the mutual assistance between authorities in customs matters. | Annex I: modifications to Articles 10(1), 14(1), and 15 |
| Final Act: Joint Declarations | <ul style="list-style-type: none"> On Article 5 (political dialogue) | Annex I: modifications |

| Chapters and Articles of the EU-Tunisia Association Agreement and other related instruments | Title/description | Modifications through Annexes to the Agreement |
|--|---|---|
| | <ul style="list-style-type: none"> On Article 10 (retention of an agricultural component in respect of goods originating in Tunisia) | Annex I: modifications |
| | <ul style="list-style-type: none"> On Article 39 (intellectual, industrial, and commercial property rights) | Annex I: modifications |
| | <ul style="list-style-type: none"> On Article 42 (economic cooperation) | Annex I: Joint declaration not incorporated |
| | <ul style="list-style-type: none"> On Article 49 (industrial cooperation) | |
| | <ul style="list-style-type: none"> On Article 50 (promotion and protection of investment) | Annex I: Joint declaration not incorporated |
| | <ul style="list-style-type: none"> On Articles 64 and 64(1) (workers) | |
| | <ul style="list-style-type: none"> On Article 65 (workers) | |
| | <ul style="list-style-type: none"> On Articles 34, 35, 76, and 77 (balance of payments, structural adjustment programs, coordinated approach to dealing with exceptional macroeconomic and financial problems of Tunisia) | |
| | <ul style="list-style-type: none"> On textiles | Annex I: Joint declaration not incorporated |
| Final Act: [EU]'s Declaration | <ul style="list-style-type: none"> On Article 29 (consideration of cumulation of origin in Tunisia's trade, if it concludes an agreement with other Mediterranean countries) | |
| Final Act: Tunisia's Declaration | <ul style="list-style-type: none"> On safeguarding Tunisia's interests (while any concessions and advantages are granted to other Mediterranean non-member countries under future agreements concluded between [EU] and those countries. | |
| | <ul style="list-style-type: none"> Concerning Article 69 (movement of workers and their family reunification) | |
| EU-Tunisia Dispute Settlement Mechanism Protocol | | |

Source: WTO Secretariat based on the EU-Tunisia Agreements and the Agreement.

2.4. The Parties reaffirm their desire in the Preamble to the Agreement to continue to apply between them the rights and obligations provided for by the EU-Tunisia Agreements. The Agreement's objective is to preserve the preferential conditions relating to trade between the Parties, which resulted from the EU-Tunisia Agreements, and provide a platform for further trade liberalisation. The Parties also confirm that the Agreement establishes an association and a free trade area in goods and associated rules affirming the objectives of the incorporated Agreements (Article 1).

2.5. The Agreement applies to the UK, and the territories of Gibraltar, the Channel Islands, and the Isle of Man for whose international relations the UK is responsible (Article 6). Moreover, it applies also to territories for whose international relations the UK is responsible from the date of written notification to Tunisia of application of the Agreement to those territories.

2.6. If the implementation period for the EU-Tunisia Agreements has not yet ended, the Parties agree to incorporate the remainder into the Agreement. If a period referred has ended, any ongoing rights and obligations shall continue to apply between the Parties. However, this shall not apply to a period relating to procedural and the administrative matters referred to in the incorporated agreements (Article 7).

3 PROVISIONS ON TRADE IN GOODS

3.1 Import duties and charges, and quantitative restrictions

3.1. The Agreement incorporates the provisions of the EU-Tunisia Association Agreement on import duties and charges, and quantitative restrictions. Incorporated Title II (Free Movement of Goods) of the EU-Tunisia Association Agreement governs the main provisions on trade in goods. Chapter 1 contains rules on trade in industrial products, while Chapter 2 covers trade in agricultural and fishery products. Finally, chapter 3 contains common provisions. The Agreement made a few modifications to Incorporated Title II, notably to its Article 18 concerning the time for assessing the situation to determine liberalization of trade in agriculture and fishery products (Section 3.1.3).

3.1.1 General provisions

3.2. Chapter 3 (common provisions) of the incorporated Title II governs the general provisions on trade in goods through Articles 19-30 of the incorporated Agreements. According to incorporated Article 19, without prejudice to the provisions of the GATT, no new quantitative restrictions on imports and measures having equivalent effect shall be introduced in trade between the Parties. It also stipulates that such restrictions and measures on trade between them shall be abolished upon the entry into force of the Agreement.

3.3. With regards to trade in agriculture, should a specific rule be introduced or modified as a result of the Parties' agriculture policies, or should the provisions in their respective agriculture policies be changed or developed, the Parties may modify the arrangements in the Agreement regarding the products concerned. The Party carrying out such modifications shall inform the Association Committee. At the request of the other Party, the Association Committee shall meet to take appropriate account of that Party's interests. If either of the Parties modifies the Agreement under this provision, the Party concerned shall accord imports originating in the other Party an advantage comparable to that provided for in the Agreement. At the request of the affected Party, such modifications to the Agreement shall be subject to consultations within the Association Council (incorporated Article 20).

3.4. In the incorporated Article 22, the Parties agree to refrain from taking any internal fiscal measures which may discriminate between the products of one Party and like products of the other Party.

3.1.2 Liberalization of trade and tariff lines

3.5. The Agreement incorporates the relevant provisions of the EU-Tunisia Association Agreement concerning liberalization of trade and tariff lines.

3.1.3 Liberalization schedule

3.6. The schedules governing the tariff liberalization and implementation modalities applicable to the UK and Tunisia are based on incorporated Articles 9, 10 and 11 for industrial products and incorporated Article 17 for agriculture and fishery products.

3.7. For industrial products, the Parties agree not to introduce new customs duties on imports or charges having equivalent effect in trade between them, including of a fiscal nature (incorporated Articles 8 and 13). Furthermore, the UK agrees to provide duty-free and quota-free market access to industrial products originating in Tunisia (incorporated Article 9). However, both Parties agree to retain an agricultural component in their bilateral imports on industrial products. Annexes 1 and 2 of the EU-Tunisia Association Agreement contain the list of products for which the Parties may impose customs duties to retain the agriculture component (see sections 3.1.3.1 and 3.1.3.2).

3.8. As indicated in incorporated Article 12, the products listed in Annex 6 of the incorporated Agreement are excluded from the current tariff liberalization schedule and subject to re-examination

by the Association Council four years after the entry into force of the EU-Tunisia Association Agreement.⁸

3.9. For agricultural and fishery products, incorporated Protocols 1, 2, and 3 contain the tariff liberalization commitments. Protocols 1 and 2 contain the EU's commitments, deemed to be the UK's commitments, on trade in agriculture and fishery products, respectively and the Protocol 3 contains Tunisia's commitments on trade in agriculture products. Incorporated Article 16 further stipulates that the Parties shall gradually implement greater liberalization of their reciprocal trade in agriculture and fishery products.⁹ Accordingly, in line with the incorporated Article 18 as modified by Annex 1 of the Agreement, the Parties shall assess the situation in 2024 to determine the liberalization measures to be applied following the objective set out in the incorporated Article 16.

3.1.3.1 The United Kingdom

3.10. The UK's tariff preferences for Tunisia under the EU-Tunisia Association Agreement are incorporated into the Agreement.

3.11. For industrial products, the UK agreed in incorporated Article 9 to provide duty-free and quota-free market access to imports from Tunisia upon entry into force of the EU-Tunisia Association Agreement. However, under the incorporated Article 10 the UK reserves the right to apply customs duties to retain the 'agricultural component'¹⁰ on imports of goods originating in Tunisia listed in Annex 1¹¹ to the incorporated Agreement. The agricultural component may take the form of a fixed amount or an *ad valorem* duty. The provision and the UK's commitments in Chapter 2 on trade in agriculture products shall apply *mutatis mutandis* to the agricultural component for industrial products.

3.12. Regarding agricultural products, the UK's market access commitments for imports from Tunisia is governed by the incorporated Protocol 1 as modified by Annex 1 of the Agreement. The UK made commitments to eliminate or reduce (in a few cases) customs duties within the limit of volumes of quota specified therein (See section 3.1.4).

3.13. Concerning fish products, the fish and fishery products listed in Protocol 2, originating in Tunisia, shall be imported into the UK free of customs duties. However, some processed fish products¹² from the list are subject to TRQs (See section 3.1.4).

3.14. At the date of entry into force of the Agreement, the UK's tariff elimination under the EU-Tunisia Association Agreement had been fully implemented. Thus, the Agreement makes no changes regarding the tariff liberalization commitments made and implemented under the EU-Tunisia Association Agreement.

3.15. Table 3.1 shows UK's tariff elimination commitments with respect to Tunisia under the Agreement. A comparison is made between the tariffs resulting from the implementation of the Agreement and the corresponding MFN tariffs that are applicable to these products.¹³ In 2021, 47% of UK's tariff (4,462 lines) was duty free on an MFN basis which corresponds to 43.2% of its imports from Tunisia during 2018-2020. Under the Agreement, an additional 3,611 lines (38% of tariff) are duty-free. As a result, 85% of the UK's tariff is duty-free for imports from Tunisia, corresponding to

⁸ The Parties confirm that no further liberalization by the EU and Tunisia has taken place, and further discussion between the UK and Tunisia has yet to commence.

⁹ According to the Parties, no further liberalization has taken place.

¹⁰ The agricultural component means, in the context of the EU-Tunisia Association Agreement, the difference between the price in the EU market of agricultural products considered as being used in the production of such goods and the price of imports from third countries where the total cost of the products is higher in the EU market.

¹¹ This list includes buttermilk, sweet corn, margarine, sugar confectioneries, some chocolates, malt, pasta, breads, biscuits and other bakers' wares, and some products from HS chapter 29 and 35.

¹² Of Sardines classified under the HS subheadings 160413 and 160420.

¹³ The UK's applied MFN tariff in 2021 consisted of 9,494 lines at the eight-digit level (HS 2017). 90.7% of the tariff rates were *ad valorem* and 881 lines had non-*ad valorem* tariffs of which 647 lines with specific duties, 230 with compound duties, and 4 with mixed duties.

87.2% of its imports from Tunisia. 1,421 tariff lines remain dutiable, representing 15% of the UK's tariff and corresponding to 2.8% of imports from Tunisia during 2018-2020.¹⁴

Table 3.1: United Kingdom: Tariff elimination commitments under the Agreement and corresponding average trade

| Duty phase-out period | Tariff lines in UK's tariff schedule | | UK's imports from Tunisia (2018-20) ^a | |
|-----------------------|--------------------------------------|--------------|--|--------------|
| | Number | % | Value (USD million) ^b | % |
| 2021 (MFN) | 4,462 | 47.0 | 92.5 | 43.2 |
| 2021 | 3,611 | 38.0 | 115.7 | 54.0 |
| Remain dutiable | 1,421 | 15.0 | 6.0 | 2.8 |
| TOTAL | 9,494 | 100.0 | 214.2 | 100.0 |

a Import coverage is for HS chapters 1-97. Totals exclude values that are suppressed at the product line level due to being potentially disclosive.

b Import values were reported in GBP and converted into USD using the exchange rates of 0.749531540259847(2018), 0.783445110011929 (2019) and 0.779999576697153 (2020).

Note: Certain products in the UK schedule are classified beyond the HS 8-digit level. In cases where the 8-digit contains both dutiable and duty-free sub-lines the entire 8-digit line is recorded as dutiable. Tariff lines subject to in-quota rates are excluded in the computation. Based on the HS 2017 nomenclature.

Source: WTO estimates based on data provided by UK.

3.16. Table 3.2 shows the UK's tariff elimination by HS section with respect to Tunisia. The 1,421 tariff lines that remain subject to duties are in HS Sections I (live animals), II (vegetable products), III (animal or vegetable fats and oils), IV (prepared food and beverages), and VI (chemical). The final average tariffs for those HS sections vary between 6.6% and 16.7% on the lines subject to duties. All the remaining dutiable tariff lines under the HS Section VI are subject to specific rates.

Table 3.2 The United Kingdom: Tariff elimination under the Agreement, by HS Section

| HS Section | MFN 2021 | | | Duty Free Lines under the Agreement (2021) | Remain Dutiable | Avg. Final Dutiable Tariff |
|--------------|-----------------|--------------|-----------------|--|-----------------|----------------------------|
| | Avg. Tariff (%) | No. of lines | Duty free lines | | | |
| I | 8.9 | 956 | 109 | 450 | 397 | 9.3 |
| II | 4.4 | 554 | 213 | 9 | 332 | 8.0 |
| III | 4.8 | 129 | 30 | 7 | 92 | 6.6 |
| IV | 12.9 | 869 | 119 | 169 | 581 | 16.7 |
| V | 0.4 | 231 | 202 | 29 | | |
| VI | 2.7 | 1,226 | 550 | 657 | 19 | * |
| VII | 3.7 | 301 | 86 | 215 | | |
| VIII | 1.4 | 130 | 73 | 57 | | |
| IX | 1.1 | 235 | 189 | 46 | | |
| X | 0.0 | 195 | 195 | | | |
| XI | 7.0 | 1,149 | 243 | 906 | | |
| XII | 7.3 | 106 | 17 | 89 | | |
| XIII | 2.0 | 234 | 162 | 72 | | |
| XIV | 0.5 | 58 | 47 | 11 | | |
| XV | 0.6 | 955 | 804 | 151 | | |
| XVI | 0.7 | 1,338 | 981 | 357 | | |
| XVII | 3.7 | 286 | 121 | 165 | | |
| XVIII | 0.6 | 299 | 218 | 81 | | |
| XIX | 1.4 | 22 | 7 | 15 | | |
| XX | 1.4 | 214 | 89 | 125 | | |
| XXI | 0.0 | 7 | 7 | | | |
| Total | 3.8 | 9,494 | 4,462 | 3,611 | 1,421 | 11.9 |

¹⁴ In comparison around 15.7% of the EU tariff remains dutiable for imports from Tunisia in 2021.

* Remain dutiable tariff lines subject to specific rates only.

Note: Tariff lines subject to in-quota rates are excluded in the average dutiable tariff computation. For the calculation of averages, specific rates are excluded, and the *ad valorem* part of alternate rates are included.

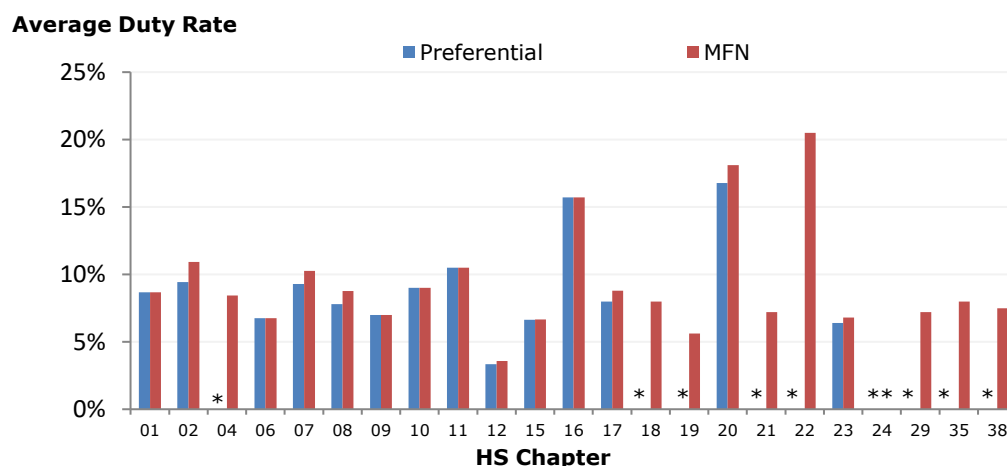
For the tariff lines subject to seasonal duties¹⁵, average rate for the entire year is used for the calculation. And the products classified beyond HS 8-digits level are counted one and their tariff rates are averaged to the 8-digits level.

Based on the HS 2017 nomenclature.

Source: WTO estimates based on data provided by UK.

3.17. Chart 3.1 shows the average remaining rates of duty by HS Chapter for the UK's imports from Tunisia. Under the Agreement, almost all the UK's tariffs for industrial products are fully liberalized except for a few chemical products. Agricultural products are either excluded from tariff liberalization under the Agreement, or their MFN rates are partially reduced¹⁶ for imports from Tunisia. For tariff lines excluded from tariff elimination, the MFN rate remains applicable. Average tariff rates are highest in HS Chapter 22 (beverages, spirits and vinegar) at 20.5%, covering 144 lines, and HS Chapter 16 (preparations of meat, fish or crustaceans, molluscs or other aquatic invertebrates) at 15.7% for 47 lines. The *ad valorem* part of the duties is fully liberalized under the Agreement for products subject to tariffs in HS Chapters 4, 18, 19, 21, 29, 35 and 38.¹⁷

Chart 3.1 The United Kingdom: Average of dutiable rates, by HS Chapter



*/** Tariff lines subject to specific duties (for MFN, Preferential or both)

Note: Tariff lines subject to in-quota rates are excluded in the average dutiable tariff computation. For the calculation of averages, specific rates are excluded, and the *ad valorem* part of alternate rates are included.

For the tariff lines subject to seasonal duties, average rate for the entire year is used for the calculation. And the products classified beyond HS 8-digits level are counted one and their tariff rates are averaged to the 8-digits level.

Based on the HS 2017 nomenclature.

Source: WTO estimates based on data provided by UK.

¹⁵ Tariff lines 0302.41.00, 0302.43.90, 0302.44.00, 0303.51.00, 0303.53.90, 0303.54.10, 0303.89.40, 0304.59.50, 0304.99.23, 0702.00.00, 0708.10.00, 0805.10.22, 0805.10.24, 0805.10.28, 0808.10.80, 0808.30.90, 0809.29.00 and 0809.40.05 are subject to MFN seasonal duties; and tariff lines 0701.90.50, 0702.00.00, 0703.10.11, 0703.10.19, 0703.20.00, 0706.10.00.10, 0707.00.05, 0708.10.00, 0708.20.00, 0709.20.00, 0709.30.00, 0709.40.00, 0709.91.00, 0709.93.10, 0709.99.50, 0709.99.90.40, 0709.99.90.50, 0805.10.22, 0805.10.24, 0805.10.28, 0805.10.80.10, 0806.10.10.90, 0807.11.00, 0807.19.00, 0809.40.05, 0810.10.00, and 0810.20.10 are subject to seasonal duties under the Agreement

¹⁶ Duties on tariff lines mainly from HS Chapters 2, 4, 7, 8, 12, 17, 18, 19, 20, 21, 22, 23, 29, 35, and are 38 are partially liberalized under the Agreement.

¹⁷ Except for two tariff lines under HS Chapter 4, and 5 tariff lines under Chapter 22.

3.1.3.2 Tunisia

3.18. Tunisia's tariff preferences granted to the UK (by virtue of its membership of the EU) under the EU-Tunisia Association Agreement are incorporated into the Agreement.

3.19. For industrial products, incorporated Article 11 outlines the tariff liberalization schedules for Tunisia under which, customs duties and charges on imports by Tunisia of products originating in the UK, except those listed in Annexes 3 to 6 were to be abolished upon entry into force of the EU-Tunisia Association Agreement. Customs duties and charges were to progressively be reduced and abolished by the end of the fifth year for products listed in Annex 3, and at the end of the twelfth year for products listed in Annexes 4 and 5. Products in Annex 6 are excluded from tariff liberalization. Like the UK, Tunisia reserves the right to apply customs duties to retain the agricultural component of industrial products on imports of products listed in Annex 2¹⁸ to the incorporated Agreement. The agricultural component may take the form of a fixed amount or an *ad valorem* duty. The provision and Tunisia's commitments in Chapter 2 for trade in agricultural products shall apply *mutatis mutandis* to the agricultural component of industrial products (incorporated Article (10(2))). Concerning products in Annex 2, incorporated Article 10 further indicates the modalities for the elimination of duties for the industrial component and the application of the agricultural component by Tunisia. Accordingly, the Agreement foresees the elimination of customs duties on all industrial goods (except for products in Annex 6) by Tunisia within a maximum of 12 years from the date of entry into force of EU-Tunisia Association Agreement.

3.20. For agricultural products, Tunisia's commitment to the market access for the UK's exports is governed by the incorporated Protocol 3 and its modification in Annex 1 of the Agreement. Tunisia committed to bind its customs duties (maximum customs duties to be applied) for products listed in the Annex table of Protocol 3 within the limit of quota volumes (See section 3.1.4). The agricultural products imported from the UK and not listed in the Annex table of Protocol 3 are excluded from tariff liberalization and thus subject to MFN rates, including for out of quota duties.

3.21. Like the UK, at the entry into force of the Agreement, Tunisia's tariff elimination commitments under the EU-Tunisia Association Agreement had been fully implemented.

3.22. Table 3.3 shows Tunisia's tariff elimination commitments with respect to the UK under the Agreement. A comparison is made between tariffs resulting from the implementation of the Agreement and the corresponding applied MFN tariffs.¹⁹ In 2021, 27.2% of Tunisia's tariff (3,169 lines) was duty free on an MFN basis which corresponds to 48.5% of its imports from the UK during 2018-2020. Under the Agreement, an additional 5,753 lines (49.4% of tariff) are duty-free. As a result, 76.6% of Tunisia's tariff is duty-free for imports from the UK, corresponding to 90.3% of its imports from the UK. 2,728 tariff lines remain dutiable, representing 23.4% of Tunisia's tariff and corresponding to 9.7% of imports from the UK during 2018-2020.²⁰

Table 3.3 Tunisia: Tariff elimination commitments under the Agreement and corresponding average trade

| Duty phase-out period | Tariff lines in Tunisia's tariff schedule | | Tunisia's imports from the UK (2018-20) ^a | |
|-----------------------|---|--------------|--|--------------|
| | Number | % | Value (USD million) | % |
| MFN 2021 | 3,169 | 27.2 | 81.9 | 48.5 |
| 2021 | 5,753 | 49.4 | 70.5 | 41.8 |
| Remain dutiable | 2,728 | 23.4 | 16.3 | 9.7 |
| TOTAL | 11,650 | 100.0 | 168.7 | 100.0 |

a: Import coverage is for HS chapters 1-97.

Note: Tariff lines subject to in-quota rates are excluded from the computation.

¹⁸ Products related to fatty acids, Glycerol, Sugar confectionery, Cocoa paste and powder, Chocolates, malt extract and Beer made from it, Cigars, sweet corn, and some chemical products (these products are from HS chapters 07, 15, 17, 18, 19, 20, 21, 22, 24, 25, 29, 35, 38).

¹⁹ Tunisia's applied MFN tariff in 2021 consisted of 11,650 lines at the nine-digit level (HS 2017). All the tariff rates were *ad valorem*.

²⁰ Based on 2013 data (latest available data on preferential rates), around 20.9% of Tunisia's tariff remained dutiable for imports from the EU, the difference to a larger extent is because of differences in nomenclature (total number of tariff lines was 16,615 in 2013 while it was 11,650 in 2021).

Based on the HS 2017 nomenclature.

Source: WTO estimates based on data provided by the Tunisian authorities and the WITS.

3.23. Table 3.4 shows Tunisia's tariff elimination by HS section for the UK. The 2,728 tariff lines that remain subject to duties are mostly agricultural products²¹ which are spread across HS Sections I (live animals), II (vegetable products), III (animal or vegetable fats and oils), IV (prepared food and beverages), and V (minerals). The final average tariffs by HS Section vary between 29.1% and 35.7% on the lines subject to duties.

Table 3.4 Tunisia: Tariff elimination under the Agreement, by HS Section

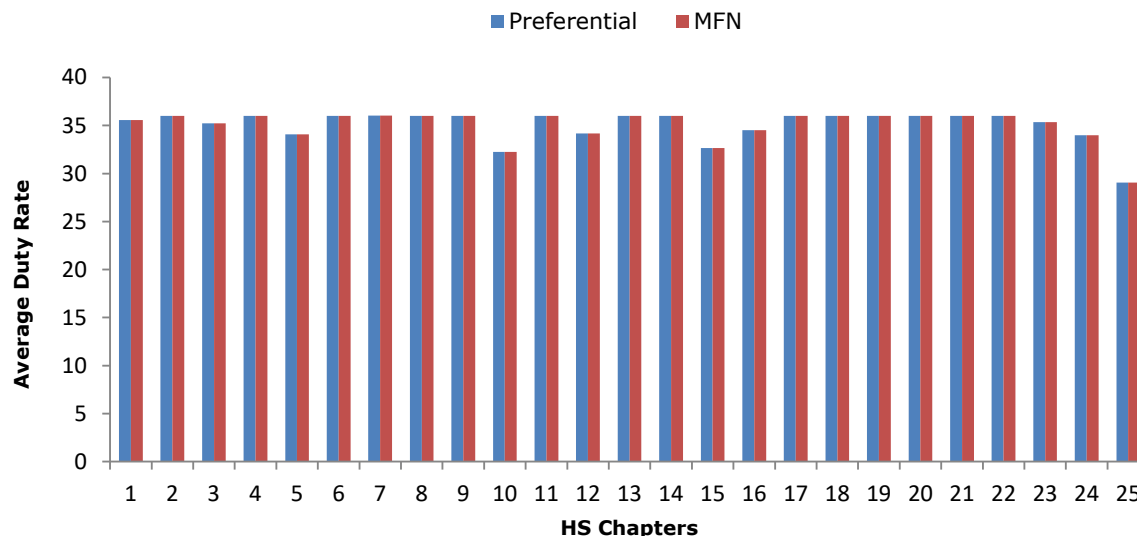
| HS Section | MFN 2021 | | | Duty Free Lines under the Agreement (2021) | Remain Dutiable | Avg. Final Dutiable Tariff |
|--------------|-----------------|---------------|-----------------|--|-----------------|----------------------------|
| | Avg. Tariff (%) | No. of lines | Duty free lines | | | |
| I | 35.6 | 1,063 | | | 1,063 | 35.6 |
| II | 31.5 | 634 | 72 | | 562 | 35.6 |
| III | 32.7 | 146 | | | 146 | 32.7 |
| IV | 35.7 | 925 | | | 925 | 35.7 |
| V | 4.6 | 336 | 276 | 28 | 32 | 29.1 |
| VI | 7.3 | 1,391 | 869 | 522 | | |
| VII | 15.8 | 389 | 168 | 221 | | |
| VIII | 26.3 | 168 | 1 | 167 | | |
| IX | 17.3 | 286 | 108 | 178 | | |
| X | 23.6 | 297 | 24 | 273 | | |
| XI | 24.0 | 1,344 | 131 | 1213 | | |
| XII | 28.7 | 117 | | 117 | | |
| XIII | 23.7 | 322 | 20 | 302 | | |
| XIV | 19.0 | 102 | 5 | 97 | | |
| XV | 14.9 | 1,206 | 463 | 743 | | |
| XVI | 13.9 | 1,779 | 734 | 1045 | | |
| XVII | 15.1 | 437 | 197 | 240 | | |
| XVIII | 14.4 | 393 | 93 | 300 | | |
| XIX | 24.5 | 22 | | 22 | | |
| XX | 26.0 | 286 | 1 | 285 | | |
| XXI | 0.0 | 7 | 7 | | | |
| Total | 20.4 | 11,650 | 3169 | 5753 | 2,728 | 35.4 |

Note: Tariff lines subject to in-quota rates are excluded from the computation.
Based on the HS 2017 nomenclature.

Source: WTO estimates based on data provided by Tunisian authorities and WITS.

3.24. Chart 3.2 shows the average remaining duty rates by HS Chapter for Tunisia's imports from the UK which apply mainly to agricultural products, and few mineral products from Chapter 25, since the other industrial products are fully liberalized. The MFN rate remains applicable for tariff lines excluded from tariff liberalization; thus, the preferential and MFN rates are identical. Average tariff rates for most HS Chapters range between 34% to 36% except for HS Chapter 10, 18, and 25. Average tariff rates are relatively lower in HS Chapter 10 (Cereals) at 32.3%, HS Chapter 15 (Animal or vegetable fats) at 32.7%, and HS Chapter 25 (Salt; sulphur; earths and stone; plastering materials, lime and cement) at 29.1%.

²¹ Except 32 tariff lines from HS chapter 25 which corresponds to mineral products.

Chart 3.2 Tunisia: Average of dutiable rates, by HS Chapter

Note: Tariff lines subject to in-quota rates are excluded from the computation.
Based on the HS 2017 nomenclature.

Source: WTO estimates based on data provided by Tunisian authorities and WITS.

3.1.4 Tariff rate quotas

3.25. Under the incorporated Protocols 1, 2 and 3 of the EU-Tunisia Association Agreement as modified by the Agreement, both Parties apply tariff rates quotas (TRQs) on bilateral imports of certain agricultural products, processed agricultural products and fish and fishery products. The modifications to the Protocols mainly aim to resize the quota volumes 2.72% of the corresponding volume in the EU-Tunisia Association Agreement, to reflect the fact that after leaving the EU, the UK is a smaller import and export market.²² Except otherwise provided, the administration period for the TRQs runs from 1 January to 31 December each year.²³

3.26. The UK maintains TRQs on 13 categories of products, of which 12 categories are agricultural and one is related to fishery products, covering 142 tariff lines (at national tariff line level). In-quota duties are zero, while the out of quota rates for the majority of the products are reduced; such reductions vary across the products and range from 20% to 90% of the MFN applied rates. Out-of-quota rates for some products (21 tariff lines) are excluded from the tariff liberalization, thus subject to MFN rates for the UK's imports from Tunisia.

3.27. Tunisia applies TRQs on 37 categories of agricultural products. In-quota duties are bound at levels ranging from 15% to 43% (i.e. the maximum custom duty rates that Tunisia may apply). Out-of-quota rates are excluded from the tariff liberalization, thus subject to MFN rates for Tunisia's imports from the UK.

3.28. Further details of the TRQs maintained by both Parties, including quota volumes, in and out of quota rates under the Agreement and corresponding MFN rates, as well as those products subject to MFN TRQs, are provided in Annex 2.

²² However, the UK's tariff quota volume for HS subheading 150910 (Olive oil and its fractions, virgin) is resized to 7,723 metric tonnes (MT) and for HS subheading 170290 (Sugar, including invert sugar, other than lactose, maple sugar, glucose and fructose, and their syrups) to 27 MT.

²³ If the Agreement were to have entered into force part-way through the administration period, the volume for the first year after the date of entry into force of the Agreement would be calculated on a pro-rata basis.

3.2 Rules of origin²⁴

3.29. The criteria to establish the origin of products and methods of administrative cooperation relating to them are set out in Article 29 and Protocol 4 of the EU-Tunisia Association Agreement. Annex II to the UK-Tunisia Association Agreement replaces the text in Protocol 4 of the EU-Tunisia Association Agreement and the EU-Tunisia Joint Declarations concerning the Principality of Andorra and the Republic of San Marino.²⁵ The modified Protocol essentially follows the same structure as Protocol 4 of the EU-Tunisia Association Agreement and replicates its provisions with some adjustments, in particular concerning the cumulation of origin. In addition, a joint declaration on expected preferred outcomes on trilateral approach to the rules of origin between the Parties and the EU completes the set of provisions on rules of origin to be applied in the implementation of the Agreement. The Association Council may decide to amend the provisions of the Protocol (Article 38). The modified Protocol 4 in Annex II of the Agreement comprises eight Titles and 40 Articles.

3.30. According to the Article 2, products are considered as originating if they are

- a. wholly obtained in a Party within the meaning of Article 5²⁶, or
- b. are obtained in a Party incorporating materials which have not been wholly obtained there, provided that such materials have undergone sufficient working or processing in the Party concerned within the meaning of Article 6.

3.31. Article 6 defines the rules for conferring originating status for products not wholly obtained in a Party. It refers to the product-specific rules of origin as specified under incorporated Annex 2²⁷ to the Protocol and outlines the conditions that need to be fulfilled for products to be sufficiently worked or processed. These can include one, or a combination of, the following requirements:

- a. **Change in tariff classification (CTC)** that requires the transformation of a product on a required level of HS classification, mostly at the HS heading level.
- b. **Value-added** criteria requires that a particular proportion of the final ex-works price of the product be added in the exporting Party. Thus, in the Agreement, the maximum level of non-originating content permitted in the production process is set to a certain percentage of the ex-works price of the products.
- c. **Specific processing rules** that require specific processing be undertaken at a particular stage of the production process.

3.32. While the requirement of CTC constitutes the main criterion for a product to qualify as originating, the value-added criterion is often used as an alternative method for products classified under a large number of HS Chapters. The threshold for non-originating content permitted varies from 15% to 50% of the ex-works price of the products concerned. For some products, a specific manufacturing or processing operation can confer origin, either as a unique criterion or combined with an alternative criterion.²⁸ For a limited number of products, mostly agricultural, however, the only condition to be met is to be wholly obtained in a Party. Article 6 also provides for a general *de minimis* or tolerance rule, accordingly, non-originating materials may be used in the manufacture of a product provided that: (a) their total value does not exceed 10% of the ex-works price of the product; and (b) any of the percentages given in the list in incorporated Annex II to the Protocol (product-specific rules) for the maximum value of non-originating materials are not exceeded. The general *de minimis* rule, however, does not apply to the products falling under HS Chapters 50 to 63 (textile and apparel products). Article 6 also has an absorption rule which ensures that if a product which has acquired originating status (through being sufficiently worked or processed) is used in the

²⁴ Unless otherwise specified in the text, all articles, titles, and annexes in this section refer to modified Protocol 4 included in Annex II to the Agreement.

²⁵ While Annex 2 of the Agreement replaces the text of Protocol 4 of the EU-Tunisia Association Agreement, it however incorporates the Annexes of Protocol 4 of the EU-Tunisia Association Agreement to the modified Protocol 4 (Article 40 of the modified Protocol 4).

²⁶ Article 5 contains the list of products categories to be considered as wholly obtained.

²⁷ Incorporated Annex II to the Protocol 4 should be read with the 'Introductory Notes' supplemented in incorporated Annex I of the Protocol.

²⁸ This is the case particularly for chemical and textiles products including some wood products.

manufacture of another product, no account shall be taken of any non-originating materials which may have been used in its manufacture. Regardless of whether the requirements of Article 6 are satisfied, a number of operations listed in Article 7 are considered as insufficient working or processing to confer the status of origin.

3.33. Cumulation of origin is governed by Articles 3 and 4 for the UK and Tunisia respectively. Bilateral and diagonal cumulation is permitted under certain conditions. Products can be considered as originating in a Party if they are obtained there, incorporating materials originating in the other Party, Switzerland (including Liechtenstein), Iceland, Norway, Türkiye, or the EU; or, in the other countries²⁹ which are contracting parties to the Regional Convention on Pan-Euro-Mediterranean Preferential Rules of Origin, provided that more than insufficient working or processing referred to in Article 7 is performed in the Parties. If working or processing carried out in a Party does not go beyond the minimum operations referred to in Article 7, the product obtained shall be considered as originating in that Party only if the value added there is greater than the value of the materials used originating in any one of the above-mentioned countries. If this is not so, the product obtained shall be considered as originating in the country which accounts for the highest value of originating materials used in the manufacture in the Party concerned.

3.34. Articles 3 and 4 also contain cumulation rules which apply differently to the Parties. Accordingly, working or processing carried out in Iceland, Norway, the EU, Morocco, Algeria, or Tunisia shall be considered as having been carried out in the UK while working or processing carried out in the UK, the EU, Morocco, or Algeria shall be deemed to have been carried out in Tunisia, provided that the products obtained undergo subsequent working or processing in the Party concerned.

3.35. The cumulation provided for in Articles 3 and 4 with respect to the EU may be applied provided that: (i) the UK, Tunisia and the EU have arrangements on administrative cooperation which ensure a correct implementation of the cumulation articles; (ii) materials and products have acquired originating status by the application of rules of origin identical to those in Protocol 4; and (iii) notices indicating the fulfilment of the necessary requirements to apply cumulation have been published by the Parties. With regard to the other countries cumulation may be applied if a preferential (regional) trade agreement consistent with Article XXIV of the GATT 1994 is applicable between the countries involved in the acquisition of originating status and the country of destination. This is also subject to the afore-mentioned conditions mentioned under (ii) and (iii).³⁰

3.36. The Parties shall provide each other, with details of the arrangements, including their dates of entry into force, and their corresponding rules of origin, which are applied with the other above-mentioned countries.

3.37. Articles 8 through 14 contain disciplines on the unit of qualification; accessories, spare parts and tools; sets; neutral elements; principle of territoriality; direct transport, and exhibitions. Article 13 (direct transport) stipulates that the preferential treatment provided for under the Agreement applies only to products transported directly between the UK and Tunisia or through the territories of the other countries with which cumulation is applicable. However, products constituting one single consignment may be transported through other territories with, should the occasion arise, trans-shipment or temporary warehousing in such territories, provided that they remain under the surveillance of the customs authorities in the country of transit or warehousing and do not undergo operations other than unloading, reloading or any operation designed to preserve them in good condition. In addition, originating products may be transported by pipeline across territory other than that of the UK or Tunisia.

3.38. Article 15 stipulates that non-originating materials used in the manufacture of products originating in the Parties for which a proof of origin is issued or made out in accordance with the

²⁹ Algeria; Egypt; Israel; Lebanon; Morocco; the Palestinian authority; Syria; Jordan; Albania; Bosnia and Herzegovina; North Macedonia; Montenegro; Serbia; Kosovo; the Faroe Islands (Represented by Denmark); Moldova; Georgia; and Ukraine.

³⁰ The UK authorities confirm that cumulation is applicable provided the conditions in Article 3 and 4 of the Protocol are fulfilled and notices indicating the fulfilment of the necessary requirements to apply cumulation have been published on their official websites. According to Tunisia the Parties have initiated talks to amend the Protocol 4 on rules of origin in line with the provisions of the agreements concluded by the UK with its partners, especially with the EU

provisions of Title V (proof of origin) of the Protocol shall not be subject to drawback of, or exemption from, customs duties. However, the prohibition does not preclude the application of an export refund system for agricultural products, applicable upon export in accordance with the provisions of the Agreement. Moreover, the prohibition shall not apply if the products are considered as originating in the UK or Tunisia without application of cumulation with materials originating in Switzerland (including Liechtenstein), Türkiye or one of the countries referred to in Articles 3(2) and 4(2).³¹

3.39. The provisions on proof of origin are in Title V (Articles 16 through 31). They include general requirements for proof of origin; procedures for issuing a movement certificate EUR.1 or EUR-MED³²; accounting segregation; invoice declaration; approved exporter; validity of proof of origin; submission of proof of origin; importation by instalments; exemptions from proof of origin; supplier's declaration; supporting documents.

3.40. The Parties agree on the administrative cooperation arrangements for rules of origin as specified under Title VI of the Protocol (through Articles 32 to 36). Article 32 stipulates that the Parties shall provide each other with specimen impressions of stamps used in their respective customs offices and the addresses of their customs authorities responsible for verifying origin certificates and invoice declarations. While doing so, the Parties also agree to assist each other to verify the required documents' authenticity. Subsequent verification of proofs of origin and suppliers' declaration shall be randomly carried out, or whenever the customs authorities of the importing Party have reasonable doubts as to the authenticity of such documents (Articles 33 and 33a). Disputes that may arise concerning the verification procedures which cannot be settled between the customs authorities requesting the verification and the customs authorities responsible for carrying out the verification or questions that may be raised on the interpretation of the Protocol shall be submitted to the Association Committee. However, the settlement of disputes between an importer and the customs authorities of the importing country shall take place under the legislation of that country (Article 34). The Agreement foresees that the Parties impose penalties when presenting fraudulent documents or submitting incorrect information to obtain preferential treatment for products (Article 35). The Parties also commit to take all necessary steps to ensure that products trade under cover of a proof of origin which in the course of transport use a free zone situated in their territory, are not substituted by other goods and do not undergo handling other than normal operations designed to prevent their deterioration. If a UK or Tunisian originating product undergoes treatment or processing while imported into a free zone, the authorities shall issue a new movement certificate EUR.1 or EUR-MED at the exporter's request, provided that the treatment or processing undergone complies with the provisions of this Protocol (Article 36).

3.41. In Article 39, the Parties agree that the provisions of the Agreement may be applied to goods either in transit or in temporary storage, customs warehouses or in free zone areas of the Parties on the date of entry into force of the Agreement provided that a movement certificate is issued retrospectively within the twelve months of the said date. This must be supplemented by the documents confirming that the goods have been transported directly in accordance with Article 13.

3.42. Two Joint Declarations complement Annex II to the Agreement (Protocol 4). They confirm that industrial products falling under Chapters 25-97 of the Harmonized System originating in the Principality of Andorra, and all products originating in the Republic of San Marino meeting the conditions of Articles 3(5)(b)(ii) and 4(5)(b)(ii) of the Protocol 4, as modified, shall be accepted by the Parties as originating in the EU within the meaning of the Agreement (respectively Annex C and D to Protocol 4).

3.43. A Joint Declaration concerning a trilateral approach to the rules of origin in relation to the incorporated Protocol 4 states that, in advance of trade negotiations between the EU and the UK, the Parties recognise that a trilateral approach to rules of origin, involving the EU, is the preferred outcome in trading arrangements between the UK, Tunisia and the EU. The Parties acknowledge that this approach would replicate coverage of existing trade flows and allow for continued recognition of originating content from either Party and from the EU in exports to each other, as per the intention of the EU-Tunisia Association Agreement. In this regard, the Parties understand that any bilateral arrangement between them represents a first step towards this outcome. In the event of an

³¹ Algeria; Egypt; Israel; Lebanon; Morocco; the Palestinian authority; Syria; Jordan; Albania; Bosnia and Herzegovina; North Macedonia; Montenegro; Serbia; Kosovo; the Faroe Islands (Represented by Denmark); Moldova; Georgia; and Ukraine.

³² Including its retrospective issuance and duplicate copy or re-issuance of the certificate).

agreement between the UK and the EU, the Parties approve taking the necessary steps, as a matter of urgency, to update Protocol No 4 to reflect a trilateral approach to rules of origin involving the EU. While updating the Protocol, the necessary steps will be taken in accordance with the procedures of the Association Council contained in Protocol 4.

3.3 Export duties and charges, and quantitative restrictions

3.44. The Agreement incorporates the provisions of the EU-Tunisia Association Agreement on export duties and charges, and quantitative restriction. Incorporated Article 19(c) prohibits the application of customs duties or charges having equivalent effect, or quantitative restrictions or measures having equivalent effect to exports between the Parties.

3.4 Regulatory provisions of the agreement

3.4.1 Standards

3.45. The Agreement does not contain any specific provision on standards. However, best endeavour commitments on standards, conformity assessments and mutual recognitions are made under Title V (Economic Cooperation) of the EU-Tunisia Association Agreement. According to incorporated Article 51, the Parties shall cooperate (a) in developing the use of [EU] rules in standardisation, metrology, quality control and conformity assessment; (b) in updating Tunisian laboratories, leading eventually to the conclusion of mutual recognition agreements for conformity assessment; and (c) in establishing bodies for intellectual, industrial, and commercial property and for standardisation and quality control in Tunisia. The Parties further agree to cooperate on standardisation, conformity testing and certification in information technology and communication sector (incorporated Article 56).

3.4.1.1 Sanitary and phytosanitary measures

3.46. There is no specific provision on sanitary and phytosanitary measures in the Agreement. The Parties however agree to apply prohibitions or restrictions on trade in goods under the Agreement for various public policy reasons, including the protection of health and life of humans, animals or plants as stipulated in incorporated Article 28.

3.4.1.2 Technical barriers to trade

3.47. There is no specific provision on technical barriers to trade in the Agreement. However, the Parties agree to cooperate on standardisation and conformity assessment in incorporated Articles 51 and 56. The Parties also foresee the conclusion of an agreement for the mutual recognition of certification (incorporated Article 40(2)).

3.4.2 Safeguard mechanisms

3.48. The Agreement incorporates the relevant provisions of the EU-Tunisia Association Agreement governing the possibility for Parties to take certain types of safeguard measures.

3.4.2.1 Global safeguards

3.49. The Agreement does not make any specific reference to global safeguard measures.

3.4.2.2 Bilateral safeguards

3.50. The Agreement incorporates Articles 25 to 27 of the EU-Tunisia Association Agreement, which permits the Parties to take appropriate safeguard measures for legitimate reasons specified under the Agreement. Article 25 describes the situation when any product originating in a Party is being imported in such increased quantities and under such conditions as to cause or threaten to cause, in the other Party, serious injury to domestic producers of like or directly competitive products, or serious disturbances in any sector of the economy of the other Party. If such a situation arises, the Parties may take appropriate measures under the conditions and in accordance with the procedures laid down in Article 27. While selecting the measures to be applied, priority must be given to those that least disturb the functioning of the Agreement. The Parties agree to hold prior consultations on

import surges in a Party by supplying information on trade flow trends to the other Party. The Party that imposes safeguard measures shall immediately notify the Association Committee, which is subject to periodic consultations, particularly with a view to their abolition as soon as circumstances permit. Where exceptional circumstances requiring immediate action make prior information or examination impossible, the Party concerned may apply precautionary measures as are strictly necessary to remedy the situation. In such a case, it shall immediately inform the other Party, and the subsequent notification shall also be made to Association Committee.

3.4.2.3 Specific safeguards for agriculture

3.51. The Agreement does not contain a specific safeguard mechanism for agricultural products and does not specifically refer to WTO disciplines in that regard.

3.4.2.4 Other Safeguard measures

3.52. Where compliance with the provisions of Article 19c (prohibition on export restrictions) leads to (i) re-exports to a third country of a product against which the exporting Party maintains quantitative export restrictions, export duties or measures or charges having equivalent effects, or (ii) a serious shortage, or threat thereof, of a product essential to the exporting Party, the Parties may take appropriate measures under the conditions and in accordance with the procedures laid down in Article 27. The measures shall be non-discriminatory and eliminated when conditions no longer justify their maintenance (incorporated Article 26).

3.53. Under incorporated Article 35 the Parties are permitted to impose restrictive measures on trade in goods in order to remedy balance of payments difficulties in accordance with the provisions and conditions established under the GATT.³³ In a joint declaration³⁴, they further agree that if Tunisia experiences serious balance of payment difficulties during the progressive implementation of the Agreement, they may hold consultations to work out the best ways and means of helping Tunisia cope with these difficulties. Such consultations will take place in conjunction with the International Monetary Fund (IMF).

3.4.3 Anti-dumping and countervailing measures

3.54. The Agreement incorporates the relevant provisions of the EU-Tunisia Association Agreement governing anti-dumping measures. The Parties affirm in incorporated Article 24 that the provisions of GATT Article VI and the WTO Agreement on Anti-Dumping may apply following the conditions and procedure laid down under incorporated Article 27. The Agreement does not contain any specific provisions related to countervailing measures. However, a reference to WTO disciplines is made in the incorporated Article 36 paragraph 3.

3.4.4 Subsidies and state-aid

3.55. The incorporated Article 36.1(c) (under Title IV - payments, capital, competition and other economic provisions) states that any public aid that distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods is considered incompatible with the proper functioning of the Agreement. Furthermore, it stipulates that each Party shall ensure transparency in the area of official aid, *inter alia*, by reporting annually to the other Party on the total amount and distribution of aid given and by providing, upon request, information on aid schemes or particular individual cases of public aid. The Parties also agree to apply related WTO disciplines to these specific provisions.

3.5 Customs-related procedures

3.56. Annex II to the Agreement, which replaces the text of Protocol 4 (Rules of Origin) of the incorporated EU-Tunisia Association Agreement, constitutes most of the provisions on customs procedures. Additionally, in incorporated Article 59, the Parties affirm their aim of cooperation in customs matters to ensure fair trade and compliance with trade rules. The Article further specifies

³³ Also see section 4.2.

³⁴ The joint declaration between the EU and Tunisia (under the EU-Tunisia Association Agreement) is incorporated to the Agreement.

that they shall focus on the simplification of customs checks and procedures; and the use of the Single Administrative Document (SAD) and creating a link between the Parties' transit system. While doing so, the respective customs authorities of the Parties shall provide mutual assistance in accordance with the terms of incorporated Protocol 5. The Annex to the incorporated Protocol 5 outlines the fundamental principle of and assurance of data protection.

3.57. As an exception the Parties may refuse to give assistance as provided for in the Protocol, where to do so would be likely to prejudice a Party's sovereignty; public policy, security, or other essential interest; involve legislation other than customs legislation; or violate an industrial, commercial, or professional secret (Article 9 of the incorporated protocol 5).

3.6 Other regulations

3.58. There are no other regulations in the Agreement

3.7 Sector specific provisions

3.59. Other than the provisions relating to tariff liberalization of agricultural and industrial products, there are no sector specific provisions in the Agreement.

4 GENERAL PROVISIONS OF THE AGREEMENT

4.1 Transparency

4.1. There is no specific transparency section in the Agreement. Transparency disciplines are however included in various parts of the Agreement, notably in the incorporated provisions on cooperation, requiring information and/or notifications to be provided by the Parties. For example, the incorporated Article 36(d) stipulates that each Party shall ensure transparency in the area of public aid, *inter alia*, by reporting annually to the other Party on the total amount and the distribution of the aid given and by providing, upon request, information on aid schemes or particular individual cases of public aid.

4.2 Current payments and capital movements

4.2. Chapter I of the incorporated Title IV (payments, capital, competition, and other economic provisions) of the EU-Tunisia Association Agreement governs provisions on payments and capital movements.

4.3. The Parties agree on all current payments for current transactions between them to be made in a freely convertible currency (incorporated Article 33). Concerning transactions on the capital account, the Parties agree that capital relating to direct investments of the UK in Tunisia³⁵ in companies formed in accordance with current laws of Tunisia can move freely. The yield from such investments and any profit streaming can be liquidated and repatriated (incorporated Article 34). In the situation where either of the Parties encounters serious balance of payments (BOP) difficulties or threat thereof, the Party concerned may impose restrictions on a current transaction in accordance with the conditions established under the GATT; and Articles VIII and XIV of the Articles of Agreement of the IMF. Such restrictions on current transactions shall be of limited duration and may not go beyond what is strictly necessary to remedy the BOP situation. The Party imposing measures shall inform the other Party immediately and submit to it as soon as possible a timetable for the elimination of the measures concerned (incorporated Article 35). The Parties also envision further consultations amongst themselves to facilitate and fully liberalise, when the time is right, the movement of capital between them.

³⁵ From the date of entry into force of EU-Tunisia Association Agreement.

4.3 Exceptions

4.3.1 General exceptions and Security exceptions

4.4. The incorporated Article 28 follows Articles XX and XXI of the GATT 1994 on general and security exceptions, respectively. Such prohibitions or restrictions shall not, however, constitute a means of arbitrary discrimination or a disguised restriction on trade between the Parties.

4.3.2 Taxation

4.5. With regard to direct taxation, incorporated Article 89 states that nothing in the Agreement shall have the effect of extending the fiscal advantages granted by either Party in any international agreement or arrangement by which it is bound; preventing the adoption or application by either Party of any measure aimed at preventing fraud or the evasion of taxes; or opposing the right of either Party to apply the relevant provisions of its tax legislation to taxpayers who are not in an identical situation as regards their place of residence.

4.6. The Parties also agree in incorporated title V (economic cooperation) to cooperate, in the context of promotion and protection of investment, to establish an agreement preventing double taxation between the Parties (incorporated Article 50).

4.4 Accession and withdrawal

4.7. The Agreement does not contain any accession provisions. Pursuant to the incorporated Article 93, the Agreement is concluded for an unlimited period. Each Party may denounce the Agreement by notifying the other Party and it shall cease to apply six months after the date of such notification.

4.5 Institutional framework

4.8. The Agreement incorporates Title VIII (institutional, general, and final provisions) of the EU-Tunisia Association Agreement, with a few modifications. The modifications include replacing the UK-Tunisia bilateral forum by the Association Council and some editorial changes mainly to remove references to the EU's institutions and replacing them, when appropriate, with those in the UK.³⁶ Under Article 8 of the Agreement, the Parties further clarify certain aspects of the institutional framework, in particular the operation of the Association Council and the Association Committee.

4.9. Incorporated Article 78 establishes an Association Council at ministerial level which shall meet once a year and when circumstances require. It shall examine any major issues arising within the framework of the Agreement, including any other bilateral or international issues of mutual interest.³⁷ The decisions taken by the Council shall be binding on the Parties (incorporated Article 80). The Parties also establish an Association Committee under the incorporated Article 81. The Association Committee oversees operational functions related to the implementation of the Agreement, including the Council's decisions and recommendations. The Association Committee reports to the Association Council and is intended to operate at a government official level. In addition, the Association Committee may take decisions on behalf of the Association Council and may also decide to set up any working group or body necessary for the implementation of the Agreement (incorporated Article 84).

4.10. Unless the Parties otherwise agree, any decisions adopted by the Association Council or the Association Committee established by the EU-Tunisia Association Agreement before the EU-Tunisia Agreements ceased to apply to the UK shall, to the extent those decisions relate to the Parties to this Agreement, be deemed to have been adopted, *mutatis mutandis*, by the Association Council or the Association Committee under the Agreement. Nothing prevents, however, the Association Council or the Association Committee from taking decisions which modify, are different to, revoke or supersede the decisions taken within the context of EU-Tunisia Association Agreement (Article 8).

³⁶ Modifications to the incorporated Title VIII contain in Annex I to the Agreement.

³⁷ Pursuant to incorporated Article 86, the Association Council may also settle the dispute by means of a decision related to the application or interpretation of the Agreement.

4.11. Through the modification to incorporated Title VIII under Annex I of the Agreement, the Parties agree that the UK-Tunisia Bilateral Forum shall be replaced by the Association Council, which was established under the UK-Tunisia Bilateral Forum Protocol.

4.6 Dispute settlement

4.12. The Agreement incorporates, by referencing in its Article 3, the EU-Tunisia dispute settlement mechanism protocol (DS Protocol). The Protocol applies to any dispute concerning the interpretation and application of the provisions of incorporated Title II (free movement of goods) except for incorporated Article 24 (concerning anti-dumping) of the EU-Tunisia Association Agreement and as otherwise expressly provided (Article 2 of the Protocol).³⁸ Incorporated Article 86 of the EU-Tunisia Association Agreement applies to disputes relating to the application and interpretation of other provisions of that Agreement.

4.13. The structure of the DS Protocol comprises 4 Chapters and 23 Articles. It contains provisions for a consultation mechanism (Article 3), mediation (Article 4), and arbitration procedures (Articles 5 through 8). The arbitration panel shall notify its ruling to the Parties and to the subcommittee on industry, trade and services within 150 days from the date of establishment of the arbitration panel. It does not contain provisions for an appeal after the ruling by an arbitration panel. However, it has a compliance mechanism (Articles 9 to 13) to assess compliance with the arbitration panel ruling, including the possibility for the Parties to apply temporary remedies in case of non-compliance. The arbitration panel shall make every effort to make its rulings by consensus. In the case where a ruling cannot be made by consensus, it can be decided by a majority vote.³⁹ Recourse to the dispute settlement provisions of the Protocol is without prejudice to any action in the WTO framework, including dispute settlement action. However, where a Party has instituted a dispute settlement proceeding, either under the Protocol or under the WTO Agreement, it may not initiate a dispute settlement proceeding regarding the same measure in the other forum until the first proceeding has ended (Article 20 of the Protocol). In addition, with respect to obligations that are identical under the Agreement and the WTO Agreement, once a Party initiates a dispute in one forum, that Party cannot bring the dispute before the other forum unless the forum selected first fails for procedural or jurisdictional reasons to make findings on that claim.

4.14. The incorporated Article 86 of the EU-Tunisia Association Agreement provides for the settlement of disputes for all aspects of the Agreement other than those covered by the incorporated DS Protocol. Accordingly, either Party may refer any related disputes (covered by incorporated Article 86) to the Association Council, which may settle the dispute by means of a decision. Each Party shall be bound to such decisions. If the decision cannot be taken by the Association Council to resolve the dispute, either Party may notify the other of the appointment of an arbitrator. The other Party must then appoint a second arbitrator and the Association Council shall appoint a third arbitrator. The arbitrators' decisions shall be taken by majority vote. Each Party to the dispute shall take the steps required to implement the arbitrators' decision.

4.7 Relationship with other agreements concluded by the parties

4.15. According to incorporated Article 23, the Parties agree that the Agreement shall not preclude the maintenance or establishment of customs unions, free trade areas or arrangements for frontier trade insofar as they do not have the effect of altering the trade arrangements provided for in the Agreement. Consultations between the Parties shall take place through the Association Committee concerning agreements establishing customs unions or free trade areas and, where appropriate, on other major issues related to their respective trade policies with third parties.

³⁸ The provisions of the DS Protocol are without prejudice to Article 34 of the Protocol 4 (included in Annex II to the Agreement) concerning the definition of the concept of 'originating products' and method of administrative cooperation.

³⁹ An arbitration panel shall be composed of three arbitrators that have to be selected from the roster of 15 arbitrators established under the procedures laid down in Article 19(2) of the Protocol. The rules of procedure for arbitration are contained in Annex I, and a code of conduct for members of arbitration panels and mediators is included in Annex II to the Protocol.

4.16. In addition to the EU-Tunisia trade Agreements, most of the provisions of which are incorporated into the Agreement, Table 4.1 below shows the Parties' participation in RTAs, notified and non-notified, other than the Agreement.

Table 4.1 United Kingdom and Tunisia: participation in other RTAs (notified and non-notified in force), as of 27 June 2022

| RTA Name | Entry into force ^a | Coverage | GATT/WTO Notification | |
|---|-------------------------------|------------------|-----------------------|------------------------------|
| | | | Year | WTO Provision |
| UNITED KINGDOM | | | | |
| United Kingdom – Iceland, Liechtenstein and Norway | 01-Dec-21 | Goods & Services | 2021 | GATT Art. XXIV & GATS Art. V |
| United Kingdom – Mexico | 01-Jun-21 | Goods & Services | 2021 | GATT Art. XXIV & GATS Art. V |
| United Kingdom - Serbia | 20-May-21 | Goods & Services | 2021 | GATT Art. XXIV & GATS Art. V |
| United Kingdom - Albania | 03-May-21 | Goods & Services | 2021 | GATT Art. XXIV & GATS Art. V |
| United Kingdom - Jordan | 01-May-21 | Goods | 2021 | GATT Art. XXIV |
| United Kingdom - Ghana | 05-Mar-21 | Goods | 2021 | GATT Art. XXIV |
| EU - United Kingdom | 01-Jan-21 | Goods & Services | 2021 | GATT Art. XXIV & GATS Art. V |
| United Kingdom - Cameroon | 01-Jan-21 | Goods | 2020 | GATT Art. XXIV |
| United Kingdom - Canada | 01-Jan-21 | Goods | 2020 | GATT Art. XXIV |
| | 01-Apr-21 | Services | 2021 | GATS Art. V |
| United Kingdom - CARIFORUM States | 01-Jan-21 | Goods & Services | 2020 | GATT Art. XXIV & GATS Art. V |
| United Kingdom - Central America | 01-Jan-21 | Goods & Services | 2020 | GATT Art. XXIV & GATS Art. V |
| United Kingdom – Chile | 01-Jan-21 | Goods & Services | 2020 | GATT Art. XXIV & GATS Art. V |
| United Kingdom - Colombia | 01-Jan-21 | Goods & Services | 2020 | GATT Art. XXIV & GATS Art. V |
| United Kingdom - Côte d'Ivoire | 01-Jan-21 | Goods | 2020 | GATT Art. XXIV |
| United Kingdom - Eastern and Southern Africa States | 01-Jan-21 | Goods | 2020 | GATT Art. XXIV |
| United Kingdom - Ecuador and Peru | 01-Jan-21 | Goods & Services | 2020 | GATT Art. XXIV & GATS Art. V |
| United Kingdom - Egypt | 01-Jan-21 | Goods | 2020 | GATT Art. XXIV |
| United Kingdom - Faroe Islands | 01-Jan-21 | Goods | 2020 | GATT Art. XXIV |
| United Kingdom - Georgia | 01-Jan-21 | Goods & Services | 2020 | GATT Art. XXIV & GATS Art. V |
| United Kingdom - Israel | 01-Jan-21 | Goods | 2020 | GATT Art. XXIV |
| United Kingdom - Japan | 01-Jan-21 | Goods & Services | 2020 | GATT Art. XXIV & GATS Art. V |
| United Kingdom - Kenya | 01-Jan-21 | Goods | 2020 | GATT Art. XXIV |
| United Kingdom - Kosovo ^b | 01-Jan-21 | Goods | 2020 | GATT Art. XXIV |
| United Kingdom - Lebanon | 01-Jan-21 | Goods | 2020 | GATT Art. XXIV |
| United Kingdom - Morocco | 01-Jan-21 | Goods | 2020 | GATT Art. XXIV |
| United Kingdom - North Macedonia | 01-Jan-21 | Goods & Services | 2020 | GATT Art. XXIV & GATS Art. V |
| United Kingdom - Norway and Iceland | 01-Jan-21 | Goods | 2020 | GATT Art. XXIV |
| United Kingdom - Pacific States | 01-Jan-21 | Goods | 2020 | GATT Art. XXIV |
| • <i>United Kingdom - Pacific States - Accession of Samoa</i> | 01-Jan-21 | <i>Goods</i> | 2020 | <i>GATT Art. XXIV</i> |
| • <i>United Kingdom - Pacific States - Accession of Solomon Islands</i> | 01-Jan-21 | <i>Goods</i> | 2020 | <i>GATT Art. XXIV</i> |
| United Kingdom - Palestine | 01-Jan-21 | Goods | 2020 | GATT Art. XXIV |
| United Kingdom - Republic of Korea | 01-Jan-21 | Goods & Services | 2020 | GATT Art. XXIV & GATS Art. V |
| United Kingdom - Republic of Moldova | 01-Jan-21 | Goods & Services | 2020 | GATT Art. XXIV & GATS Art. V |

| RTA Name | Entry into force ^a | Coverage | GATT/WTO Notification | |
|--|-------------------------------|------------------|-----------------------|------------------------------|
| | | | Year | WTO Provision |
| United Kingdom - SACU and Mozambique | 01-Jan-21 | Goods | 2021 | GATT Art. XXIV |
| United Kingdom - Singapore | 01-Jan-21 | Goods & Services | 2020 | GATT Art. XXIV & GATS Art. V |
| United Kingdom - Switzerland - Liechtenstein | 01-Jan-21 | Goods | 2020 | GATT Art. XXIV |
| United Kingdom - Türkiye | 01-Jan-21 | Goods | 2020 | GATT Art. XXIV |
| United Kingdom - Ukraine | 01-Jan-21 | Goods & Services | 2020 | GATT Art. XXIV & GATS Art. V |
| United Kingdom - Viet Nam | 01-Jan-21 | Goods & Services | 2020 | GATT Art. XXIV & GATS Art. V |
| TUNISIA | | | | |
| Agadir Agreement | 27-Mar-07 | Goods | 2016 | Enabling Clause |
| Türkiye - Tunisia | 01-Jul-05 | Goods | 2005 | GATT Art. XXIV |
| EFTA - Tunisia | 01-Jun-05 | Goods | 2005 | GATT Art. XXIV |
| EU - Tunisia | 01-Mar-98 | Goods | 1999 | GATT Art. XXIV |
| Pan-Arab Free Trade Area (PAFTA) | 01-Jan-98 | Goods | 2006 | GATT Art. XXIV |
| • PAFTA-Accession of Algeria | 01-Jan-09 | Goods | Not notified | |
| • PAFTA-Accession of Palestine | 01-Jan-98 | Goods | Not notified | |
| Common Market for Eastern and Southern Africa (COMESA) | 08-Dec-94 | Goods | 1995 | Enabling Clause |
| • COMESA-Accession of Egypt | 17-Feb-99 | Goods | 2017 | Enabling Clause |
| • COMESA-Accession of Seychelles | 11-May-09 | Goods | 2022 | Enabling Clause |
| • COMESA - Accession of Somalia | 19-Jul-18 | Goods | Not notified | |
| • COMESA-Accession of Tunisia | 18-Apr-18 | Goods | Not notified | |
| • COMESA-Accession of Libya | 03-Jan-05 | Goods | Not notified | |
| • COMESA-Accession of Djibouti | 21-Dec-81 | Goods | Not notified | |
| • COMESA-Accession of Madagascar | 21-Dec-81 | Goods | Not notified | |
| Global System of Trade Preferences among Developing Countries (GSTP) | 19-Apr-89 | Goods | 1989 | Enabling Clause |
| Protocol on Trade Negotiations (PTN) | 11-Feb-73 | Goods | 1971 | Enabling Clause |
| African Continental Free Trade Area (AfCFTA) | 30-May-19 | Goods | Not notified | |
| Arab Maghreb Union (AMU) | 27-Mar-07 | Goods | Not notified | |
| Tunisia - Syria | 10-Mar-05 | Goods | Not notified | |
| Tunisia - Libya | 19-Feb-02 | Goods | Not notified | |
| Tunisia - Iraq | 31-Dec-99 | Goods | Not notified | |
| Tunisia - Morocco | 16-Mar-99 | Goods | Not notified | |
| Tunisia - Jordan | 01-Jan-99 | Goods | Not notified | |
| Tunisia - Egypt | 05-Mar-98 | Goods | Not notified | |

a Dates of the first entry into force/provisional application for at least one of the Parties. Where dates of provisional application have been provided by the Parties, further notifications to confirm the dates of entry into force are awaited.

b Reference to Kosovo in this table shall be understood to be in the context of the United Nations Security Council resolution 1244 (1999).

Source: WTO Secretariat. Further information on these Agreements and on specific dates of entry into force/provisional applications may be found in the WTO Database on RTAs: <http://rtais.wto.org>.

4.8 Government procurement

4.17. The Parties do not take any specific commitments on government procurement under the Agreement. However, in incorporated Article 41, they agree to aim for a reciprocal and gradual liberalisation of public procurement contracts. The Association Council is mandated to hold consultations on implementing this objective.

4.18. The United Kingdom has been (as a then-member state of the EU) a party to the WTO Agreement on Government Procurement (GPA) 1994 since 1 January 1996 and is a party to the GPA 2012 since 1 January 2021. Tunisia is neither a party to the WTO's GPA 1994 nor GPA 2012.

4.9 Intellectual property rights

4.19. The Parties commit in incorporated Article 39 to provide adequate and effective protection of intellectual, industrial, and commercial property rights in accordance with the highest international standards including effective means of enforcing of such rights. In addition, in incorporated Annex 7, Tunisia makes specific commitments to accede to several multilateral conventions on the protection of intellectual, industrial, and commercial property rights by the end of fourth year after the entry into force of the EU-Tunisia Association Agreement. The Parties also agree to cooperate while developing the institutional bodies responsible for intellectual, industrial, and commercial property in Tunisia (incorporated Article 51(c)).

4.20. An incorporated Joint Declaration further specifies that, intellectual, industrial and commercial property for the purpose of the Agreement comprises, in particular, copyright, including copyright in computer programs, and neighbouring rights, commercial trademarks; and geographical descriptions, including the designation of origin, industrial designs and models, patents, configuration plans (topographies) of integrated circuits, protection of undisclosed information and protection against unfair competition in accordance with Article 10(bis) of the Paris Convention for the Protection of Industrial Property in the 1967 Act of Stockholm (Paris Union).

4.10 Competition

4.21. The Agreement incorporates the provisions of Title IV, Chapter 2 (competition and other economic provisions), of the EU-Tunisia Association Agreement on competition. Incorporated Article 36 illustrates a number of practices which are incompatible with the proper functioning of the Agreement, such as agreements between undertakings, decisions by associations of undertakings and concerted practices between undertakings which have as their object or effect the prevention, restriction or distortion of competition; abuse by any undertakings of a dominant position in the UK and Tunisia; and any public aid which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods. The Association Council was to adopt, by decision, the necessary rules for the implementation of these provisions within five years of the entry into force of the EU-Tunisia Association Agreement. Following a modification under Annex I of the Agreement, the Parties agreed that the Association Council shall adopt the rules from the date of entry into force of the Agreement. Until such rules are adopted, the related provisions in Article VI, XVI and XXIII of the GATT shall be applied.

4.22. The Parties shall progressively adjust, without affecting commitments made under the GATT, any state monopolies of a commercial character to ensure that no discrimination regarding the conditions under which goods are procured and marketed exists between nationals of the Parties (incorporated Article 37). With regard to public enterprises and enterprises to which special or exclusive rights had been granted, the Association Council shall ensure (from the fifth year following the entry into force of the EU-Tunisia Association Agreement) that no trade distorting measures are taken or maintained (incorporated Article 38).

4.11 Environment

4.23. The Parties incorporate Title V (economic cooperation) of the EU-Tunisia Association Agreement, under which they agree that the preservation of the environment and ecological balances shall constitute a central component of the various fields of economic cooperation (Article 43(4)). Cooperation shall aim to prevent deterioration, and improve the quality, of the environment, protect human health, and achieve a rational use of natural resources for sustainable development. Cooperation areas might include soil and water quality, consequences of development and monitoring and preventing marine pollution (incorporated Article 48).

4.12 Labour

4.24. The Agreement incorporates, with a few modifications⁴⁰, the provisions of Title VI, Chapter II (workers), of the EU-Tunisia Association Agreement on labour. The Parties agree to grant national treatment to each other's nationals working in their territories. According to incorporated Article 64, the treatment accorded by one Party to the workers of the other Party employed in its territory shall be free from discrimination based on nationality regarding working conditions, remuneration, and dismissal relative to its nationals. In addition, Tunisian nationals are allowed to undertake temporary paid employment in the UK and national treatment shall also be provided.

4.25. Incorporated Article 65 outlines the principles establishing social security and benefits. It provides for national treatment to be granted to the concerned workers and their family members in the area of social security⁴¹, including family allowances to be paid. The Association Council is mandated to adopt provisions to implement the principles set out in incorporated Article 65. However, the provisions adopted shall not affect any rights or obligations arising from bilateral agreements linking the UK and Tunisia where those agreements provide for more favourable treatment of nationals of the UK or Tunisia (incorporated Article 68).

4.26. Pursuant to a modification under Annex I of the Agreement, paragraph 2 of incorporated Article 65⁴² shall not apply unless and until the Association Council determines that the data-sharing arrangements between the UK and the EU have been established enabling the UK to implement the provision in question. Upon entry into force of the Agreement, the Council is mandated to examine developments in the data-sharing arrangements and determine whether the provisions can be implemented and, if so, adopt detailed rules for administrative cooperation providing the necessary management and monitoring guarantees for applying the provision.

4.27. Greater emphasis on labour issues is also made under the provisions of Chapters II (dialogue in social matters) and III (cooperation in the social field) of incorporated Title VI. (See section 4.16.3).

4.28. Incorporated Article 66 prohibits applying provisions of Chapter I of incorporated Title VI to nationals of the Parties residing or working illegally in the territory of their host countries.

4.29. Three incorporated Joint Declarations concerning incorporated Articles 64 and 65 complement the provisions on labour under the Agreement which further clarifies, in particular, access to the UK's labour market for the spouse and children of Tunisian workers; restrictions on the right under Article 64(1) to obtain renewal of a residence permit for Tunisian workers in the UK; and the definition of the 'members of family' which is to be based on the national legislation of the host country.

4.13 Electronic commerce

4.30. The Agreement does not contain specific provisions on e-commerce.

4.14 Small and medium-sized enterprises (SMEs)

4.31. The Agreement does not contain specific commitments on SMEs. However, cooperation for the promotion and protection of investment is targeted at SMEs with the establishment of harmonised and simplified procedures through the development of co-investment machinery (incorporated Article 50).

⁴⁰ Modifications on labour issues have been made under Annex I Paragraph 5 (modifications to Title VI) of the Agreement.

⁴¹ The concept of social security shall cover the branches of social security dealing with sickness and maternity benefits, invalidity, old-age and survivors' benefits, industrial accident and occupational disease benefits and death, unemployment, and family benefits.

⁴² Paragraph 2 of incorporated Article 65 states that all periods of insurance, employment or residence completed by Tunisian workers in the various Member States of the EU and the UK shall be added together for the purpose of pensions and annuities in respect of old age, invalidity and survivors' benefits and family, sickness, and maternity benefits and, also for that of medical care for workers and for members of their family's resident in [the UK].

4.15 Other

4.16 Trade in services and investment

4.32. Even though the Agreement is notified under GATT Article XXIV, it includes a few provisions on trade in services. The Parties agree under incorporated Title III of the EU-Tunisia Association Agreement to widen the scope of the Agreement to cover the right of establishment and liberalisation of trade in services. The Association Council is mandated to make the necessary recommendations for achieving this goal (incorporated Article 31). In addition, the Parties reaffirm their obligations under the GATS, particularly the obligation to grant reciprocal MFN treatment in the services sectors covered (incorporated Article 32).

4.33. The Parties identify investment as a priority area for cooperation under incorporated Title VI (Economic Cooperation⁴³). Accordingly, in incorporated Article 50, for the promotion and protection of investment, the Parties agree to cooperate to create a favourable climate for flows of investment. They agree, in particular, to establish harmonised and simplified procedures, co-investment machinery especially linking to their small and medium-sized enterprises, and methods of identifying and providing information on investment opportunities; and to establish, where appropriate, a legal framework to promote investment, through the conclusion of investment protection and avoidance of double taxation agreements.

4.16.1 Economic Cooperation

4.34. The Agreement incorporates, with a few modifications⁴⁴, the provisions of Title V of the EU-Tunisia Association Agreement on economic cooperation. The Parties undertake to accelerate economic cooperation in their mutual interest and in the spirit of partnership. Supporting Tunisia's efforts to achieve sustainable economic and social development is regarded as one of the main objectives of economic cooperation (incorporated Article 42). The scope of cooperation covers several issues while targeting first sectors of the Tunisian economy with internal difficulties or sectors affected by the overall process of trade liberalization under the Agreement. Preservation of the environment and ecological balance shall constitute a central component of economic cooperation. Similarly, cooperation shall focus on sectors likely to bring the Parties' economies closer together, particularly those that will generate growth and employment. Cooperation shall also foster economic integration within the Maghreb region. If the Parties deem necessary, by mutual agreement, they can further expand the scope of economic cooperation to any areas of their common interest (incorporated Article 43).

4.35. Methods for cooperation include regular economic dialogue between the Parties covering all aspects of macroeconomics policy; communication and exchange of information; advice, use of expert's services and trainings; joint venture; and assistance with technical, administrative, and regulatory matters (incorporated Article 44). The Parties can also establish the procedures necessary to achieve cooperation in the fields covered (incorporated Article 63).

4.36. In order to achieve the most from the Agreement, the Parties agree to foster all activities which have a regional impact or involve third countries, notably in the areas of intra-regional trade within the Maghreb; environment; development of economic infrastructure; research in science and technology; cultural issues; customs; and regional institutions and the establishment of common or harmonised programmes and policies (incorporated Article 45).

4.37. Other areas of economic cooperation identified in the incorporated Articles 46 through 62⁴⁵ are: education and training; scientific and technological cooperation; environment; industrial cooperation; promotion and protection of investment; standardisation and conformity assessment; financial services; agriculture and fisheries; transports; telecommunication and information technology; energy; tourism; customs; cooperation on statistics; money laundering; and combating drug use and trafficking.

⁴³ See Section 4.16.2.

⁴⁴ Modifications to Title V have been made under Annex I (Paragraph 4) of the Agreement.

⁴⁵ Pursuant to the amendment made by the Parties under Annex I of the Agreement, Article 52 (cooperation on approximation of legislation) of the incorporated EU-Tunisia Association Agreement is not included in the Agreement.

4.16.2 Cooperation in social and cultural matters

4.38. Incorporated Title VI (cooperation in social and cultural matters) of the EU-Tunisia Association Agreement, in addition to labour issues (Chapter I workers)⁴⁶, also covers provisions on dialogue in social matters (Chapter II); cooperation in the social field (Chapter III); and cooperation on cultural matters (Chapter IV). The Parties agree to conduct regular dialogue on any social issue in their mutual interest at the same level and in accordance with the same procedure provided for in Political Dialogue under incorporated Title I⁴⁷ (incorporated Article 69 and 70). The dialogue shall cover, in particular, all issues concerning living and working conditions for workers, migration, illegal immigration⁴⁸, and equal treatment between nationals of the Parties in various social matters. Incorporated Articles 71 through 73 outline areas of priority and institutional mandates for cooperation in the social field, while incorporated Article 75 provides for lasting cultural dialogue and continuous cultural cooperation between the Parties.

4.39. The Agreement also incorporates a declaration made by Tunisia concerning incorporated Article 69 under which Tunisia considers family reunification as a basic right for Tunisian nationals working and living abroad; therefore, it should be the subject of in-depth discussion with the UK to ease and improve the conditions for family reunification.

4.16.3 Financial cooperation

4.40. The Agreement incorporates, with a few modifications⁴⁹, Title VII (financial cooperation) of the EU-Tunisia Association Agreement which refers to a financial cooperation package for Tunisia in accordance with the appropriate procedures and the financial resources required. The procedures can be adopted by mutual agreement between the Parties by means of the most suitable instruments (incorporated Article 75). In close coordination with the Tunisian authorities and other financial contributors, in particular the international financial institutions, the UK will examine suitable ways of supporting structural policies by Tunisia to restore financial equilibrium in all its key aspects and create an economic environment conducive to boosting growth, while at the same time enhancing social welfare (incorporated Article 76).

4.41. The Parties also agree to closely monitor the development of trade and financial relations between them to ensure a coordinated approach to dealing with exceptional macroeconomic and financial problems which could stem from the progressive implementation of the Agreement. This can be carried out using the regular economic dialogue provisions in incorporated Title V (economic cooperation) (incorporated Article 77).

⁴⁶ See section 12.4.

⁴⁷ As well as modifications under paragraph 1 of Annex I to the Agreement.

⁴⁸ In particular, illegal immigration and the conditions governing the return of individuals who are in breach of the legislation dealing with the right to stay and the right of establishment in their host countries.

⁴⁹ Modifications are mainly to remove references to the framework of EU instruments of adjustment programmes in the Mediterranean countries (Modifications are made in Paragraph 6 of Annex I to the Agreement).

ANNEX 1

INDICATORS OF TARIFF LIBERALIZATION AND MARKET ACCESS OPPORTUNITIES UNDER THE AGREEMENT

1. The following tables present the Parties' tariff liberalization and market access opportunities under the Agreement. A comparison is made between preferential tariffs and MFN tariffs. Tariff-related market access conditions for trade between the UK and Tunisia applicable at the entry into force of the Agreement remained largely unchanged as compared with the situation prevailing under the terms, conditions and commitments in the EU-Tunisia Association Agreement, when the UK was still an EU Member State. The following tables should therefore be read bearing this in mind.

2. Tables A1.1 and A1.2 below present the Parties' tariff elimination under the Agreement *vis-à-vis* MFN tariffs by total, agricultural (HS Chapters 01-24) and industrial (HS Chapters 25-97) products.

3. As shown in Table A1.1, in 2021, the UK's overall average applied MFN tariff was 3.8%. The average applied MFN rate was 2.5% for industrial products and relatively higher at 8.9% for agricultural products; the share of duty-free tariff lines was 47% overall, 57.1% for industrial products and 18.8% for agricultural products. Under the Agreement, the overall average applied tariff for imports from Tunisia was 0.9%; it was 6.7% for agricultural products, and almost duty-free for industrial products. This provides exporters from Tunisia a relative margin of preference of 76.1% overall; and nearly 100% and 49.5% respectively, for industrial and agricultural exports. The share of duty-free lines rose to 85% overall, and to 99.7% and 44.1% for industrial and agricultural products.

Table A1.1 United Kingdom: Indicators of MFN and preferential rates for imports from Tunisia

| Origin of goods | Year | ALL PRODUCTS | | | HS Chapters 01-24 | | | HS Chapters 25-97 | | |
|-----------------|-------------|------------------------|-----------------|-------------------------------------|------------------------|-----------------|-------------------------------------|------------------------|-----------------|-------------------------------------|
| | | Average applied tariff | | Share of duty-free tariff lines (%) | Average applied tariff | | Share of duty-free tariff lines (%) | Average applied tariff | | Share of duty-free tariff lines (%) |
| | | Overall (%) | On dutiable (%) | | Overall (%) | On dutiable (%) | | Overall (%) | On dutiable (%) | |
| MFN | 2021 | 3.8 | 7.8 | 47.0 | 8.9 | 12.0 | 18.8 | 2.5 | 5.8 | 57.1 |
| Tunisia | 2021 | 0.9 | 11.9 | 85.0 | 4.5 | 11.9 | 44.1 | 0.0* | * | 99.7 |

* For 19 tariff lines from industrial products the *ad valorem* part of the duties is fully liberalized, and the specific part is remaining dutiable.¹

Note: Tariff lines subject to in-quota rates are excluded in the computation. For the calculation of averages, specific rates are excluded, and the *ad valorem* part of alternate rates are included. For the tariff lines subject to seasonal duties, the average rate for the entire year is used for the calculation. The products classified beyond HS 8-digits level are counted once and their tariff rates are averaged to the 8-digit level.
Based on the HS 2017 nomenclature.

Source: WTO estimates based on data provided by UK.

4. In the case of Tunisia, as shown in Table A1.2, its overall average applied MFN tariff was 20.4% in 2021. The average applied MFN rate was 16% for industrial products and considerably higher at 34.5% for agricultural products; the share of duty-free tariff lines was 20.4% overall, 34.9% for industrial products and 2.6% for agricultural products. Under the Agreement, the overall average applied tariff for imports from the UK fell to 8.3% and to 0.1% for industrial products, while the average applied tariff for agriculture products remained unchanged. This provides exporters from

¹ These 19 tariff lines are 2905.43.00, 2905.44.11, 2905.44.19, 2905.44.91, 2905.44.99, 3505.10.10, 3505.10.90, 3505.20.10, 3505.20.30, 3505.20.50, 3505.20.90, 3809.10.10, 3809.10.30, 3809.10.50, 3809.10.90, 3824.60.11, 3824.60.19, 3824.60.91, and 3824.60.99.

the UK a relative margin of preference of 59.3% overall and 99.4% for industrial products while no margin of preference is granted to agricultural exports. The share of duty-free lines rose to 76.6% overall and 99.6% for industrial products under the Agreement while it remains unchanged for agricultural products.

Table A1.2 Tunisia: Indicators of MFN tariff rates and preferential rates for imports from the UK

| Origin of goods | Year | ALL PRODUCTS | | | HS chapters 1-24 | | | HS Chapters 25-97 | | |
|-----------------|------|------------------------|-----------------|-------------------------------------|------------------------|-----------------|-------------------------------------|------------------------|-----------------|-------------------------------------|
| | | Average applied tariff | | Share of duty-free tariff lines (%) | Average applied tariff | | Share of duty-free tariff lines (%) | Average applied tariff | | Share of duty-free tariff lines (%) |
| | | Overall (%) | On dutiable (%) | | Overall (%) | On dutiable (%) | | Overall (%) | On dutiable (%) | |
| MFN | 2021 | 20.4 | 28.0 | 27.2 | 34.5 | 35.5 | 2.6 | 16.0 | 24.6 | 34.9 |
| UK | 2021 | 8.3 | 35.4 | 76.6 | 34.5 | 35.5 | 2.6 | 0.1 | 29.1 | 99.6 |

Note Tariff lines subject to in-quota rates are excluded in the computation.

Based on the HS 2017 nomenclature.

Source: WTO estimates based on data provided by the Tunisian authorities and the WITS.

5. Table A1.3 and A1.4 below present the market access opportunities under the Agreement for the bilateral trade between the UK and Tunisia for their top 25 exports products.

6. Table A1.3 shows market access opportunities for Tunisia's top 25 export products (HS subheading level) in the UK which accounted for 48.4% of its global exports in 2018-20. These HS subheadings were covered by 95 products at the national tariff line level in the UK's tariff nomenclature, of which 50 tariff lines were duty-free on an MFN basis in 2021. Under the Agreement, the UK liberalized 41 tariff lines while the remaining 4 lines (virgin olive oils and fresh or dried dates) remain subject to MFN duties for imports from Tunisia. The MFN rates for virgin olive oils was 102.00 GBP/100 kg, and 6% for fresh or dried dates in 2021.

Table A1.3 United Kingdom: Market access opportunities under the agreement for Tunisia's top 25 exports to the world

| Tunisia's top export products in 2018-20 | | | Access conditions to UK's import markets | | | | |
|--|--|-----------------------------|--|------------------------|-----------------------|---|-----------------|
| HS number and description | | Share in global exports (%) | MFN 2021 | | | No. of duty free lines under the agreement (2021) | Remain Dutiable |
| | | | Avg. Tariff (%) | No. of duty-free lines | No. of dutiable lines | | |
| 854442 | Electric conductors | 6.9 | 1.0 | 1 | 1 | 1 | |
| 270900 | Petroleum oils and oils obtained from bituminous minerals | 3.7 | 0.0 | 2 | | | |
| 150910 | Virgin olive oil and its fractions obtained from the fruit of the olive tree | 3.5 | * | | 3 | | 3 |
| 620342 | Men's or boys' trousers, bib and brace overalls, breeches and shorts | 3.2 | 12.0 | | 7 | 7 | |
| 854449 | Electric conductors | 2.6 | 1.6 | 1 | 4 | 4 | |
| 854430 | Ignition wiring sets and other wiring sets for vehicles, aircraft or ships | 2.4 | 1.8 | | 1 | 1 | |
| 880330 | Parts of aeroplanes or helicopters | 2.3 | 0.0 | 1 | | | |

| Tunisia's top export products in 2018-20 | | | Access conditions to UK's import markets | | | | |
|--|--|-----------------------------|--|------------------------|-----------------------|---|-----------------|
| HS number and description | | Share in global exports (%) | MFN 2021 | | | No. of duty free lines under the agreement (2021) | Remain Dutiable |
| | | | Avg. Tariff (%) | No. of duty-free lines | No. of dutiable lines | | |
| 853690 | Electrical apparatus for switching electrical circuits, or for making connections to or in electrical circuits | 2.2 | 0.0 | 4 | | | |
| 271019 | Medium oils and preparations | 1.9 | 1.2 | 12 | 13 | 13 | |
| 852871 | Reception apparatus for television | 1.8 | 0.0 | 5 | | | |
| 080410 | Fresh or dried dates | 1.7 | 6.0 | | 1 | | 1 |
| 621139 | Men's or boys' tracksuits and other garments | 1.6 | 12.0 | | 1 | 1 | |
| 870894 | Steering wheels, steering columns and steering boxes, and parts thereof, for tractors, motor vehicles | 1.3 | 3.0 | | 4 | 4 | |
| 851762 | Machines for the reception, conversion and transmission or regeneration of voice, images or other data | 1.3 | 0.0 | 1 | | | |
| 962000 | Monopods, bipods, tripods and similar articles | 1.3 | 0.0 | 3 | | | |
| 902830 | Electricity supply or production meters | 1.3 | 0.0 | 3 | | | |
| 610910 | T-shirts | 1.2 | 12.0 | | 1 | 1 | |
| 853890 | Parts suitable for use solely or principally with the apparatus of heading 8535, 8536 or 8537 | 1.2 | 0.0 | 4 | | | |
| 280920 | Phosphoric acid; polyphosphoric acids | 1.2 | 0.0 | 1 | | | |
| 850140 | Ac motors, single-phase | 1.1 | 0.0 | 2 | | | |
| 901890 | Instruments and appliances used in medical, surgical or veterinary sciences | 1.0 | 0.0 | 8 | | | |
| 621010 | Garments made up of felt or nonwovens) | 1.0 | 12.0 | | 3 | 3 | |
| 310530 | Diammonium hydrogenorthophosphate "diammonium phosphate" | 0.9 | 6.0 | | 1 | 1 | |
| 853710 | Boards, cabinets and similar combinations of apparatus for electric control or the distribution of electricity | 0.9 | 1.5 | 1 | 3 | 3 | |
| 940190 | Parts of seats | 0.9 | 1.3 | 1 | 2 | 2 | |
| Total of above | | 48.4 | 3.0 | 50 | 45 | 41 | 4 |

* Dutiable tariff lines are subject to specific rates only.

Note: Tariff lines subject to in-quota rates are excluded from the computation. For the calculation of averages, specific rates are excluded, and the *ad valorem* part of alternate rates are included.

For the tariff lines subject to seasonal duties, average rate for the entire year is used for the calculation. The products classified beyond the HS 8-digit level are counted once and their tariff rates are averaged to the 8-digit level. Based on the HS 2017 nomenclature.

Source: WTO estimates based on data provided by UK and UNSD Comtrade Database.

7. Table A1.4 shows market access opportunities for the UK's top 25 export products (HS subheading level) in Tunisia which accounted for 38.4% of its global exports in 2018-20. These HS subheadings were covered by 203 products at the national tariff line level in Tunisia's tariff nomenclature, of which 115 tariff lines were duty-free on an MFN basis. As a result of the Agreement, Tunisia liberalized an additional 77 tariff lines while the remaining 11 lines (Whiskies) remain subject to MFN duties which was 36% in 2021.

Table A1.4 Tunisia: Market access opportunities under the agreement for the UK's top 25 exports to the world

| United Kingdom's top export products in 2018 -2020 | | | Access conditions to Tunisia's import markets | | | | |
|--|--|-----------------------------|---|------------------------|-----------------------|-------------------------------|-----------------|
| HS number and description of the product | | Share in global exports (%) | MFN 2021 | | | Duty Free under the Agreement | Remain dutiable |
| | | | Average tariffs (%) | No. of duty-free lines | No. of dutiable lines | | |
| 710813 | Gold | 5.6 | 15.0 | | 3 | 3 | |
| 270900 | Petroleum oils and oils obtained from bituminous minerals | 4.9 | 0.0 | 4 | | | |
| 300490 | Medicaments | 3.2 | 30.0 | 1 | 1 | 1 | |
| 880330 | Parts of aeroplanes or helicopters | 2.9 | 0.0 | 1 | | | |
| 841112 | Turbojets of a thrust | 2.6 | 0.0 | 3 | | | |
| 870323 | Motor cars and other motor vehicles | 2.4 | 15.0 | 8 | 2 | 2 | |
| 841191 | Parts of turbojets or turbopropellers | 2.1 | 15.0 | | 1 | 1 | |
| 870324 | Motor cars and other motor vehicles | 1.7 | 15.0 | 4 | 2 | 2 | |
| 220830 | Whiskies | 1.3 | 36.0 | | 11 | | 11 |
| 271012 | Light oils and preparations | 1.3 | 19.3 | 17 | 7 | 7 | |
| 970110 | Paintings | 1.3 | 0.0 | 1 | | | |
| 870322 | Motor cars and other motor vehicles | 1.2 | 15.0 | 11 | 2 | 2 | |
| 711319 | Articles of jewellery and parts thereof | 1.0 | 30.0 | | 9 | 9 | |
| 271019 | Medium oils and preparations, of petroleum or bituminous minerals | 1.0 | 23.3 | 34 | 18 | 18 | |
| 870332 | Motor cars and other motor vehicles | 0.7 | 15.0 | 8 | 2 | 2 | |
| 300220 | Vaccines for human medicine | 0.6 | 0.0 | 1 | | | |
| 870340 | Motor cars and other motor vehicles | 0.6 | 15.0 | 6 | 2 | 2 | |
| 711021 | Palladium | 0.6 | 15.0 | | 1 | 1 | |
| 300215 | Immunological products | 0.6 | 0.0 | 1 | | | |
| 851762 | Machines for the reception, conversion and transmission or regeneration of voice, images or other data | 0.6 | 30.0 | 4 | 5 | 5 | |
| 382200 | Diagnostic or laboratory reagents on a backing, prepared diagnostic or laboratory reagents | 0.5 | 0.0 | 1 | | | |
| 490199 | Printed books, brochures and similar printed matter | 0.5 | 0.0 | 3 | | | |
| 870333 | Motor cars and other motor vehicles | 0.5 | 15.0 | 7 | 2 | 2 | |
| 840890 | Compression-ignition internal combustion piston engine "diesel or semi-diesel engine" | 0.4 | 30.0 | | 14 | 14 | |
| 870899 | Parts and accessories, for tractors, motor vehicles | 0.4 | 30.0 | | 6 | 6 | |
| Total of above | | 38.4 | 14.5 | 115 | 88 | 77 | 11 |

Note Tariff lines subject to in-quota rates are excluded in the computation.
Based on the HS 2017 nomenclature.

Source: WTO estimates based on data from Tunisia and the UK authorities.

ANNEX 2**TARIFF RATE QUOTAS UNDER THE AGREEMENT**

1. Table A2.1 and A2.2 below provide detailed information on tariff rate quotas (TRQs) applied by the UK and Tunisia under the Agreement. In the case of Tunisia, Table A2.2 is based on Protocol 3 of the EU-Tunisia Association Agreement. The quota volumes presented in the table A2.2 below are for the EU as a whole, while the quantity for the UK shall be resized to 2.72% of the quantity presented.¹

Table A2.1 United Kingdom: Tariff Rate Quotas for imports from Tunisia

| Products/Tariff lines/ Quota Volumes in metric tonnes (MT) unless otherwise indicated | Average Tariff rate | | MFN Rates (2021) |
|--|---------------------|---|--|
| | In-Quota | Out-Quota | |
| Cut flowers and flower buds, fresh (30) | | | |
| 06031100, 06031200, 06031300, 06031400, 06031500, 06031910, 06031920, 06031970 | 0% | MFN | 8% |
| New potatoes (512) | | | |
| 07019050 ^a | 0% | 4.8% (01-01 to 31-03) MFN (01-04 to 31-12) | 8% |
| Fresh oranges (1,070) | | | |
| 08051022, 08051024, 08051028, | 0% | 3.2% (01-01 to 31-03); 2% (01-04 to 30-04); 0.9% (01-05 to 15-05); 0.6% (16-05 to 15-10); 2% (16-10 to 31-10); 3.2% (01-11 to 31-12) | 10.00% (1/11-30/04), 2.00% (1/05-31/10) |
| 0805108010 | 0% | 3.2% (01-01 to 31-03); 2.4% (01-04 to 15-10); 3.2% (16-10 to 31-12) | 12% |
| Tomato concentrate (109) | | | |
| 20029031, 20029039, 20029091, 20029099 | 0% | MFN | 14% |
| Apricot pulp (140) | | | |
| 2008509220, | 0% | 9.5% | 12% |
| 2008509813 | 0% | 11.9% | 16% |
| Mixtures of fruit (27) | | | |
| 20089751 | 0% | 4.9% | 10% |
| 20089759 | 0% | 7.9% | 16% |
| 20089772 | 0% | 3.8% | 8% |
| 20089774 | 0% | 6.1% | 12% |
| 20089776 | 0% | 5.4% | 12% |
| 20089778 | 0% | 8.6% | 18% |
| Wine of fresh grapes (4,874 hl) | | | |
| *2204219413 ^c *2204219351 *2204219451 *2204219551 *2204219651 *2204219751 *2204219851 *2204229390 *2204229451 *2204229590 *2204229651 *2204229790 *2204229851 *2204299390 *2204299451 *2204299590 *2204299651 *2204299790 *2204299851 | 0% | 0.20 GBP/% vol/hl | 1.40 GBP/% vol/hl |
| *2204229310 *2204229411 *2204229510 *2204229611 *2204229710 *2204229811 *2204299310 *2204299411 *2204299510 *2204299611 *2204299710 *2204299811 | 0% | 1.50 GBP/hl | 8.20 GBP/hl |
| *2204229320 *2204229421 *2204229520 *2204229621 *2204229720 *2204229821 | 0% | 2.00 GBP/hl | 10.00 GBP/ hl |

¹ Pursuant to Para 11 of Annex 1 to the Agreement (Modifications to protocol 3 of EU-Tunisia Association Agreement).

| Products/Tariff lines/ Quota Volumes in metric tonnes (MT) unless otherwise indicated | Average Tariff rate | | MFN Rates (2021) |
|--|---------------------|-------------|------------------|
| | In-Quota | Out-Quota | |
| *2204299320 *2204299421 *2204299520 *2204299621 *2204299720 *2204299821 | | | |
| *2204219319 *2204219323 ^d *2204219419 *2204219423 ^e *2204219511 *2204219611 *2204219711 *2204219811 | 0% | 2.10 GBP/hl | 10.00 GBP/ hl |
| *2204219329 *2204219429 *2204219521 *2204219621 *2204219721 *2204219821 *2204229330 *2204229431 *2204229530 *2204229631 *2204229730 *2204229831 *2204299330 *2204299431 *2204299530 *2204299631 *2204299730 *2204299831 | 0% | 2.50 GBP/hl | 12.00 GBP/ hl |
| *2204219331 *2204219431 *2204219531 *2204219631 *2204219731 *2204219831 | 0% | 3.00 GBP/hl | 15.00 GBP/ hl |
| *2204219341 *2204219441 *2204219541 *2204219641 *2204219741 *2204219841 *2204229340 *2204229441 *2204229540 *2204229641 *2204229740 *2204229841 *2204299340 *2204299441 *2204299540 *2204299641 *2204299740 *2204299841 | 0% | 3.40 GBP/hl | 17.00 GBP/ hl |
| 22041093, 22041094, 22041096, 22041098, 22042106, 22042107, 22042108, 22042109, 22042210, 22042910, *2204219313 ^b | 0% | 5.30 GBP/hl | 26.00 GBP/hl |
| Wine of fresh grapes with a designation of origin (1,523 hl) | | | |
| *2204219313 ^b , *2204219413 ^c | 0% | 2.10 GBP/hl | 2.10 GBP/hl |
| *2204219323 ^d , *2204219423 ^e | 0% | 2.50 GBP/hl | 2.50 GBP/hl |
| Sardines, of the species <i>Sardina pilchardus</i> in olive oil; Sardines, of the species <i>Sardina pilchardus</i> other than in olive oil, of sardines of the species <i>Sardina pilchardus</i> (3) | | | |
| 1604131120, 1604131920, | 0% | MFN | 12% |
| *1604205010 | | | 25% |
| Natural honey (1) | | | |
| 04090000 | 0% | MFN | 16% |
| Olives (0.3) | | | |
| 07112010 | 0% | MFN | 0% |
| Truffles (0.1) | | | |
| 20039010 | 0% | MFN | 0% |
| Olive oil and its fractions, virgin (7,723) | | | |
| 15091010 | 0% | MFN | 102.00 GBP/00kg |
| 15091020, 15091080 | 0% | MFN | 104.00 GBP/100kg |

* Tariff lines also subject to MFN TRQs.

a: The quota is suspended from 01-04 to 31-12 where the MFN duty applies.

b/c/d/e: The quotas for tariff lines 2204219313, 2204219323, 2204219413 and 2204219423 are linked. Any used volume is deducted from the specified quotas.

Source: Data provided by the UK authorities.

Table A2.2 Tunisia: Tariff Rate Quotas for imports from the United Kingdom, metric tonnes (MT)

| HS Code | Description | Quota volumes | Maximum customs duties under quota volumes (%) | MFN 2021 average (%) |
|---------------------|--|-------------------------|--|----------------------|
| 010210 | Live-bovine animals, pure-bred breeding animals | 2000 | 17 | 36 |
| 010290 ^a | Other than pure-bred breeding animals | 35 ^(*) | 27 | 36 |
| 020120 ^a | Meat of bovine animals, fresh or chilled, other cuts with bone in | 8000 ^{(*) (1)} | 27 | 36 |
| 020130 ^a | Meat of bovine animals, fresh or chilled, boneless | | | |
| 020220 ^a | Meat of bovine animals, frozen, other cuts with bone in | | | |
| 020230 ^a | Meat of bovine animals, frozen, boneless | | | |
| 020721 | Poultry not cut in pieces, frozen (fowls of the species Gallus domesticus) | 400 ⁽²⁾ | 43 | 36 |
| 040210 ^a | Milk and cream, concentrated or containing added sugar or other sweetening matter, in powder, granules or other solid forms, of a fat content, by weight, not exceeding 1,5% | 9700 ^{(*) (3)} | 17 | 36 |
| 040221 ^a | Milk and cream, not containing added sugar or other sweetening matter, in powder, granules or other solid forms, of a fat content, by weight, exceeding 1,5% | | | |
| 040299 | Milk and cream, concentrated, other than in powder or other solid forms, including with added sugar or other sweetening matter | | | |
| 040500 ^a | Butter and other fats and oils derived from milk | 250 ^(*) | 35 | 36 |
| 040630 ^a | Processed cheese, not grated or powdered | 450 ^(*) | 27 | 36 |
| 040700 | Birds' eggs, in shell, fresh, preserved or cooked — for hatching — gamebirds' eggs — other | 1100 ⁽⁴⁾ | 20 43 43 | 36 |
| 060299 | Other live plants (including their roots) other than those falling within subheadings 0602 10, 0602 20, 0602 30, 0602 40 and 0602 91 | 200 | 43 | 36 |
| 070110 | Seed potatoes, fresh or chilled | 16500 | 15 | 36 |
| 070190 | Potatoes, fresh or chilled, other than seed potatoes | 16500 ⁽⁵⁾ | 43 | 36 |
| 080222 | Hazelnuts or filberts, shelled | 200 | 43 | 36 |
| 100110 ^a | Durum wheat | 17000 ^(*) | 17 | 0 |
| 100190 ^a | Other than durum wheat | 230000 ^(*) | 17 | 0 |
| 100300 ^a | Barley | 12000 ^(*) | 17 | 36 |
| 100590 | Maize (corn), other than seed | 9000 | 17 | 15 |
| 110311 | Groats and meal of wheat | 300 | 43 | 36 |
| 110313 | Groats and meal of maize (corn) | 800 | 43 | 36 |
| 110710 | Malt, not roasted | 2000 | 43 | 36 |
| 110812 | Maize (corn) starch | 900 | 31 | 36 |
| 121410 | Lucerne (alfalfa) meal and pellets | 700 | 29 | 36 |
| 150200 | Fats of bovine animals, sheep or goats, raw or rendered, whether or not pressed or solvent-extracted | 600 | 27 | 36 |

| HS Code | Description | Quota volumes | Maximum customs duties under quota volumes (%) | MFN 2021 average (%) |
|---------------------|---|----------------------|--|----------------------|
| 150710 | Soya bean oil, crude, whether or not degummed | 7500 | 15 | 15 |
| 151110 | Palm oil and its fractions, whether or not refined, but not chemically modified | 300 | | 36 |
| | - Crude oil | | 20 | |
| | - Other | | 43 | |
| 151410 | Rape, colza or mustard oil, crude | 30000 | | 15 |
| | - of colza | | 15 | |
| | - other | | 43 | |
| 151490 | Rape, colza or mustard oil, other than crude | 900 | 43 | 24 |
| 151511 | Linseed oil, crude | 400 | 20 | 36 |
| 151610 | Animal fats and oils and their fractions | 300 | 31 | 36 |
| 170199 ^a | Cane or beet sugar and chemically pure sucrose, other than raw sugar, not containing added flavouring or colouring matter | 72000 ^(*) | 15 | 36 |
| 170230 | Glucose and glucose syrup: | 650 | | 36 |
| | - Glucose containing added flavouring or colouring matter | | 43 | |
| | -Other | | 20 | |
| 170290 | Sugars, including invert sugar, other than lactose, maple sugar, glucose and fructose, and their syrups: | 200 | | |
| | - Other sugars containing added flavouring or colouring matter | | 43 | 36 |
| | -Other | | 29 | |
| 230910 | Dog or cat food, put up for retail sale | 20 | 43 | 36 |
| 230990 | Other animal foods | 2800 | 43 | 36 |
| 240110 | Tobacco, not stemmed/stripped | 2800 | 25 | 36 |

^a Subject to the WTO TRQ.

^(*) The quantities imported under the tariff quota opened by Tunisia within the WTO framework under the current access arrangements are deducted from the preferential tariff quota.

⁽¹⁾ The figure of 8000 MT covers all four subheadings.

⁽²⁾ From July 1 to end February.

⁽³⁾ The figure of 9700 MT covers all three subheadings.

⁽⁴⁾ From 1 July to end February.

⁽⁵⁾ From 1 October to 31 May.

Source: Based on the Protocol No 3 of the EU-Tunisia Association Agreement, pp 66-67 and the WTO CTS database.