

Trade Policy Review of Iceland
(First Session on 12 June 2024)

Statement by Hong Kong, China

- Thank you, Chair. Good morning to everyone.
- Hong Kong, China warmly welcomes the delegation of Iceland, headed by Director General Ragnar G. Kristjánsson of the Ministry of Foreign Affairs to their sixth Trade Policy Review. We congratulate the entire delegation, including their team in Geneva, so ably led by Ambassador Einar Gunnarsson, on their preparation for this Review.
- We also thank the WTO Secretariat for the comprehensive report, and the discussant, Ambassador Clare Kelly of New Zealand, for her salient comments, which have enriched the discussion.

Iceland and Hong Kong, China

- Hong Kong, China and Iceland have all along maintained steady and cordial economic and trade relations.
- We are Iceland's 10th largest trading partner in Asia.
- Our positive economic relations are underpinned by the Free Trade Agreement between Hong Kong, China and the Member States of the European Free Trade Association, the implementation of which has been smooth since its entry into force in 2012.

Iceland and WTO

- As a friend of the multilateral trading system, Hong Kong, China values Iceland's strong support for multilateralism, as demonstrated by its active and constructive engagement in a wide range of endeavors at the WTO. These include tackling contemporary issues in flexible and innovative configurations like the Joint Statement Initiatives on Services Domestic Regulation, on Investment Facilitation for Development and on E-commerce, as well as the Trade and Environmental Sustainability Structured Discussions and the Dialogue on Plastics Pollution.
- As the Chair of the Negotiating Group on Rules, Ambassador Gunnarsson has been instrumental in steering the fisheries subsidies negotiations. His leadership and persistence in engaging members holding widely divergent views are, to say the least, formidable. We all remember his

“Fish Weeks” and “Fish Months” when he left no stone unturned. Hong Kong, China will continue to support his efforts in bringing this landmark negotiation to fruition as a matter of priority.

Trade Policy of Iceland

- With respect to the trade policy of Iceland, we note that Iceland generally maintains a liberal trade and investment regime. A salient feature of its openness is its commitment to bind 95% of its tariff lines, with around 89% of them set at zero tariff.
- We are also delighted at seeing positive development on **trade facilitation** during this review period, including the conclusion of the pilot phase of the Authorised Economic Operators system in 2020, and the introduction of a new single administrative document for customs clearance in 2023. We look forward to seeing Iceland’s continual efforts towards further enhancements, which could include the launch of a full single window and the setting up of the National Trade Facilitation Committee to coordinate trade facilitation efforts.
- On the other hand, with respect to **agriculture**, we also see rooms for liberalization. Like Hong Kong, China, Iceland is a net food importer with a very small agricultural sector. While agriculture accounts for only 1.3% of its GDP and 1.5% of its employment in 2022, this sector remains highly protected in terms of tariffs and total support. The average applied tariff and average bound rates for agricultural products remain high at 18.1% and 103.6% respectively. The share of non-ad valorem tariff lines has also increased from 4.4% in 2017 to 5.4% in 2023. We encourage Iceland to consider reducing its high tariffs on agricultural products and converting its non-ad valorem rates to ad valorem rates to improve the predictability and transparency. We would also encourage Iceland to regularly review and notify its support measures to ensure transparency.
- Last but not least, Hong Kong, China would like to thank Iceland for their timely response to all the questions we had submitted in advance. We wish Iceland a successful trade policy review and look forward to working with Iceland to promote a rules-based, free and open global trading environment for sustainable development of the world.
- Thank you.

Hong Kong Economic and Trade Office in Geneva
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