

GROUPE DU PORTE-PAROLE
SPRECHERGRUPPE
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NOTE D'INFORMATION • INFORMATORISCHE AUFZEICHNUNG
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Brussels, June 1970

Agreement between the Community and Israel

1. A preferential agreement between the Community and Israel was signed on 29 June 1970 in Luxembourg by the Israel Minister of Foreign Affairs, M. Abba Eban, and for the Community by M. P. Harmel, President in office of the Council, and M. J. Rey, President of the Commission.

This agreement represents the culmination of a fairly long procedure and a protracted series of negotiations, since the dialogue between the Community and Israel on a preferential agreement began as far back as 1961. A preliminary settlement for relations between the Community and Israel was provided by a non-preferential commercial agreement, signed on 4 June 1964 and effective till 30 June 1967.

The preferential agreement proper was studied in detail only after exploratory talks between a Commission and an Israel delegation in January 1967 and the report which the Commission subsequently submitted to the Council in June 1967.

On 17 October 1969 the Council reached agreement on a negotiation mandate, which it adopted in the general context of its Mediterranean policy and with a view to a balanced development of its relations with the countries of that area.

Negotiations began immediately afterwards and ended on 14 May with an exchange of letters between the heads of the two delegations, M. H. Sigrist, Director-General, and H.E. Ambassador Alon.

2. The new agreement is designed to promote trade between the EEC and Israel and thus make for the expansion of international trade.

The agreement has been concluded for a period of five years. Negotiations for a fresh agreement on a more comprehensive basis may begin 18 months before the present agreement expires.

The Contracting Parties have made the following concessions to each other under the agreement.

Advantages given to Israel in the Community market

1. More than 85% of all Israeli industrial products which are liable to customs duties when imported into the Community are to enjoy a tariff concession.

This will in most cases build up to a 50% tariff reduction - 30% being granted when the agreement comes into force and further 5% instalments on 1 January 1971, 1972, 1973 and 1974.

Smaller tariff reductions, between 28 and 34%, are laid down for aluminium products and motor vehicles. In the case of cotton fabrics under heading 55.09, the staggered tariff reduction of 50% applies only to a Community tariff quota of 300 tons. Finally, the Community has granted no concessions for a number of sensitive products.

The Community has liberalized the import of all Israeli industrial items, but has reserved the right to reimpose quantitative restrictions on three bromine items if necessary.

2. In the agricultural sector, concessions have been granted for the staple export items of Israel; as with industrial goods, these concessions cover about 80% of the Israeli agricultural products which are liable to customs duties or levies when imported into the Community.

Israeli citrus fruit - oranges, mandarins, lemons - are to enjoy a 40% reduction in CCT rates provided their offer price on the internal Community market does not fall below a minimum equal to the reference price for the period in question plus the incidence of the CCT thereon plus a flat-rate sum of some 1.20 u.a. per 100 kg. It will be seen that this concession is subject to the same stipulations concerning the minimum offer price as are laid down for the Community concessions to other leading producers of the Mediterranean basin, in particular Morocco and Spain.

A 30% tariff reduction is specified for certain pimentos and one of 40% for grapefruit, avocados, mangoes and certain frozen or preserved fruit.

Benefits conferred on the Community in the Israeli market

1. Israel, for its part, is to grant tariff concessions for more than half the industrial and agricultural items which are liable to duty when imported from the Community.

The products affected by these concessions have been broken down into four lists; the reduction of duties will be made in accordance with the following time-table:

% reduction in the rates of Israeli tariff duties

PRODUCTS	On entry into force of the agreement	On	On	On	On
		1/1/1971	1/1/1972	1/1/1973	1/1/1974
List 1	10%	15%	20%	25%	30%
List 2	5%	10%	15%	20%	25%
List 3	5%	10%	15%	15%	15%
List 4	5%	10%	10%	10%	10%

Israel has undertaken to grant the Community a 15% tariff reduction on most of the products it currently imports free of customs duty, if they should later be made liable to customs duty.

In its trade with the Community, Israel undertakes to bind the liberalization of all the products affected by these tariff concessions and of all products already liberalized when the agreement comes into force. Israel has also undertaken to liberalize gradually, within two years, certain products which are still not liberalized; these will also enjoy a tariff reduction in accordance with a given time-table once they have been liberalized.

2. Israel can withdraw concessions granted to the Community if protection is required for its industrialization and development, provided it replaces them by concessions maintaining the equilibrium of the agreement.

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The agreement includes a safeguard clause which can be invoked by the two parties if balance of payment or economic difficulties should arise.

The agreement is to be managed by a joint committee of Community and Israel representatives. This body is to meet at least once a year, and more often if required. It may set up any working party that will help it in the execution of its duties.

The agreement is to come into force on the first day of the month after the day when the Contracting Parties have notified each other of the accomplishment of the requisite procedures.

Signature of the agreement between the Community and Israel is a milestone in the gradual establishment of a policy of balance in the Mediterranean basin.

The internal procedures of each Contracting Party should allow the agreement to come into force at latest on 1 October 1970.

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