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COMMISSION OF THE EUROPEAN COMMUNITIES

COM(79) 752 final

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Strasbourg, 11th December 1979

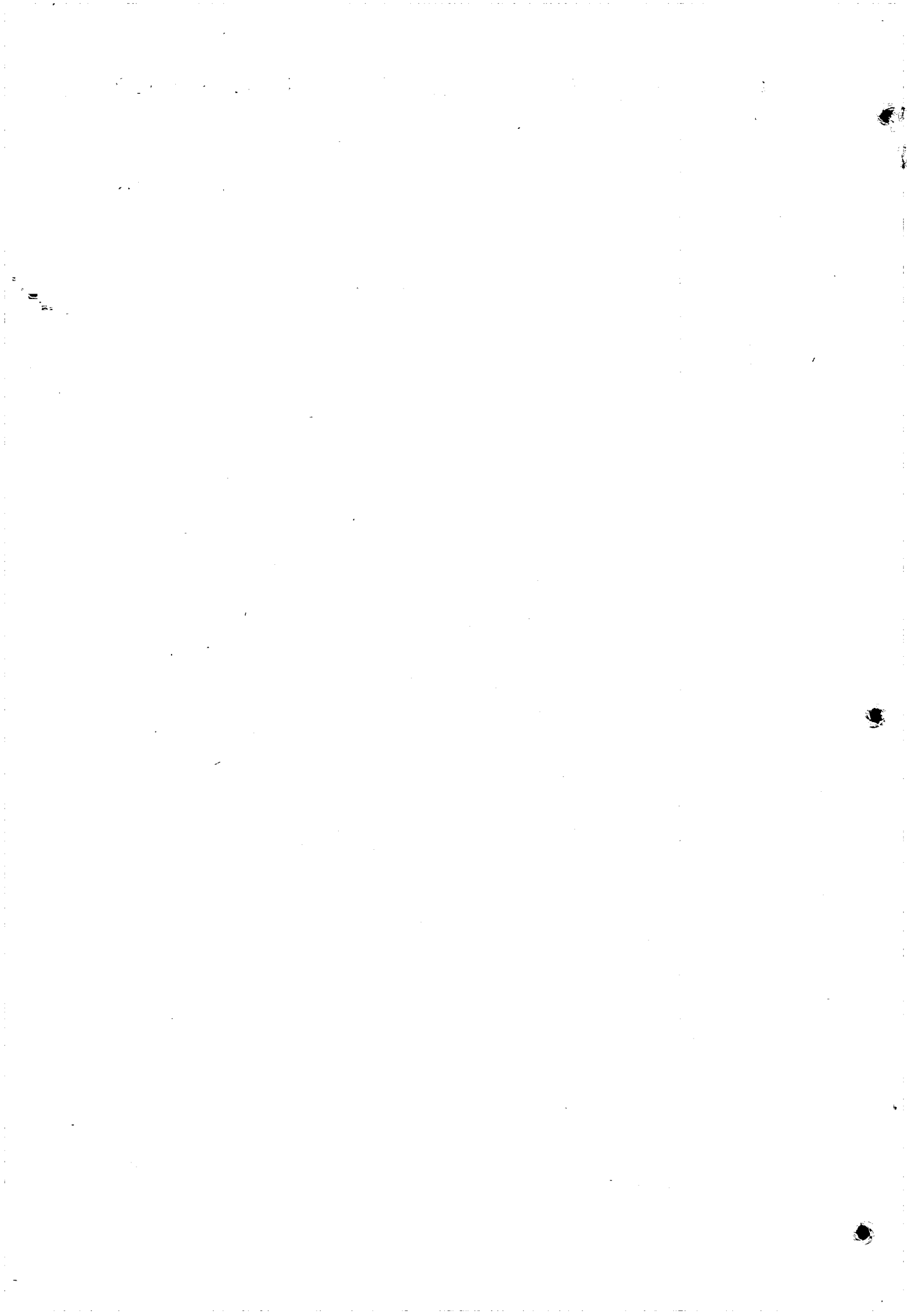
JUL 9 1980

GIFT & EXCHANGE

RECOMMENDATION FOR A COUNCIL REGULATION (EEC)
CONCERNING THE CONCLUSION OF A SECOND ADDITIONAL PROTOCOL
TO THE AGREEMENT BETWEEN THE EUROPEAN ECONOMIC COMMUNITY
AND THE STATE OF ISRAEL

(presented by the Commission to the Council)

COM(79) 752 final



EXPLANATORY MEMORANDUM

1. It was laid down in Article 22 of the Agreement between the European Economic Community and the State of Israel that, from the beginning of 1978, the Contracting Parties were to carry out a first review of the results of the Agreement on the basis of experience and consider any improvements which could be made.

2. Exploratory talks concerning the application of Article 22 were held between the Commission and an Israeli Delegation on 25 September 1978. After examining the Commission's report on these exploratory talks¹, the Council authorized the Commission to open negotiations with the Israeli representatives in accordance with the following directives:

- (i) A two-year deferment of the date of the next reduction in the Israeli customs tariff for the products listed in Annex A to Protocol No 2 to the Agreement.
- (ii) A two-year deferment of the final date after which Israel is no longer authorized to introduce, increase or re-introduce customs duties to protect its new industries (Article 3 of Protocol No 2).

3. A negotiating meeting between the Commission and an Israeli Delegation was held on 21 March 1979. It emerged from this meeting that the Israeli negotiators regarded the Community's offer as far from adequate since it did not contain any concession for agricultural products, particularly citrus fruit.

When the Commission presented its report on the March negotiations² to the Council, it proposed that the following two points be added to its directives:

¹COM(78)662 final.

²COM(79)288 final.

- (i) the reduction in the Common Customs Tariff for fresh oranges falling within subheading 08.02 ex A. would be changed from 60% to 70%;
- (ii) the level of voluntary restraint on exports to the Community of tomato concentrates originating in Israel would be re-evaluated on the basis of the trend of Israeli exports over the last few years, and also with reference to the figures for Community supplies of this product.

The Council has not yet adopted a position on the Commission's proposals, which were discussed during the Council meeting in September and will probably be examined further at the December meeting.

4. Under Article 1(2) of Protocol No 2 to the Agreement, the State of Israel should, on 1 July 1979, have reduced by 10% the level of its customs tariff on the products originating in the Community listed in Annex A to that Protocol.

Israel was authorized, by a gentlemen's agreement reached in the Council, to defer the fulfilment of its obligations, first until 30 September 1979 and then until 31 December 1979.

The uncertainty of these provisional arrangements creates an embarrassing administrative and legal situation for the Israeli customs authorities. The Israeli Government has made urgent representations to the Commission for a definitive solution to be adopted by 31 December. The Commission feels that these representations are justified and also thinks it advisable to give a legal form to the agreement reached during the negotiations to extend the period of validity of the provisions of Article 3(1) of Protocol No 2 to the Agreement.

These amendments are in accordance with the Council's negotiating directives and comply with the requests made by the State of Israel under Article 22 of the Agreement.

The following texts comprise:

- (i) a proposal for a Council regulation approving a second Additional Protocol to the Agreement of 11 May 1975;
- (ii) the draft of a second Additional Protocol deferring by two years:
 - (a) the next stages of tariff dismantling to be undertaken by the State of Israel under Article 1(2) of Protocol No 2;
 - (b) the expiry of the provisions of Article 3 of Protocol No 2.

5. The Commission reserves the right to present supplementary proposals if an improvement in the Community offer, based on its Communication of 2 July 1979, were to bring about progress in the negotiations.

RECOMMENDATION FOR A
COUNCIL REGULATION (EEC)

concerning the conclusion of a second Additional Protocol to the Agreement
between the European Economic Community and the State of Israel

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,
and in particular Article 113 thereof,

Having regard to the recommendation from the Commission,

Whereas the Additional Protocol to the Agreement between the
European Economic Community and the State of Israel, signed in
Brussels on, should be concluded,

HAS ADOPTED THIS REGULATION:

Article 1

The second Additional Protocol to the Agreement between the
European Economic Community and the State of Israel is hereby
approved on behalf of the Community. The text referred to in the
first paragraph is annexed to this Regulation.

Article 2

The President of the Council shall give the notification provided
for in Article 4 of the Second Additional Protocol.

Article 3

This Regulation shall enter into force on the day following its
publication in the Official Journal of the European Communities¹.

This Regulation shall be binding in its entirety and directly applicable
in all Member States.

Done at Brussels,

For the Council
The President

¹The date of the entry into force of the second Additional Protocol
will be published in the Official Journal of the European Communities
by the General Secretariat of the Council.

SECOND ADDITIONAL PROTOCOL

TO THE AGREEMENT BETWEEN THE EUROPEAN ECONOMIC COMMUNITY AND THE
STATE OF ISRAEL

THE EUROPEAN ECONOMIC COMMUNITY,

of the one part, and

THE STATE OF ISRAEL,

of the other part,

CONSIDERING that Article 22 of the Agreement between the European Economic Community and the State of Israel allows for improvements to be made on the basis of the experience gained while the Agreement has been in force,

AFFIRMING their desire to ensure the harmonious development of their trade and in particular to take measures which could help reduce the State of Israel's trade deficit with the Community,

CONSCIOUS that it is advisable to leave Israel the option, for a sufficient length of time, of taking the protective measures essential to its industrialization and development,

HAVE DECIDED to conclude this Protocol:

Article 1

The table in Article 1(2) of Protocol No 2 to the Agreement shall be replaced by the following:

<u>Timetable</u>	<u>Rate of reduction</u>
from 1 July 1977	5%
" 1 July 1978	20%
" 1 July 1981	30%
" 1 January 1983	50%
" 1 January 1985	80%
" 1 January 1987	100%

Article 2

The date 31 December 1983 in Article 3(1) of Protocol No 2 to the Agreement shall be replaced by 31 December 1985.

Article 3

This Protocol shall form an integral part of the Agreement.

Article 4

This Protocol is drawn up in duplicate in the Danish, Dutch, English, French, German, Italian and Hebrew languages, each of these texts being equally authentic.

This Protocol shall be approved by the Contracting Parties in accordance with the Contracting Parties' own procedures.

It shall enter into force on the first day of the first month following the date on which the Contracting Parties notify each other that the necessary procedures have been carried out.

Done at Brussels,

On behalf of the European Economic Community

On behalf of the
State of Israel