

GENERAL AGREEMENT ON TARIFFS AND TRADE

GPR/74/Add.6

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ACCORD GENERAL SUR LES TARIFS DOUANIERS ET LE COMMERCE

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ACUERDO GENERAL SOBRE ARANCELES ADUANEROS Y COMERCIO

(94-0011)

AGREEMENT ON GOVERNMENT PROCUREMENT

Addendum

Attached is a copy of Israel's Annexes¹ to Appendix I of the Agreement on Government Procurement.

ACCORD RELATIF AUX MARCHES PUBLICS

Addendum

On trouvera ci-joint copie des annexes d'Israël¹ figurant à l'Appendice I de l'Accord relatif aux marchés publics.

ACUERDO SOBRE COMPRAS DEL SECTOR PÚBLICO

Addendum

Adjuntos figuran los anexos¹ del Apéndice I del Acuerdo sobre Compras del Sector Público correspondientes a Israel.

¹English only/Anglais seulement/Inglés solamente.

ANNEX 1Central Government Entities which Procure in Accordance
With the Provisions of this AgreementISRAEL

<u>Supplies</u>	<u>Threshold:</u>	130,000 SDR
<u>Services</u> (specified in Annex 4)	<u>Threshold:</u>	130,000 SDR
<u>Construction</u> (specified in Annex 5)	<u>Threshold:</u>	8,500,000 SDR

List of Entities:

House of Representatives (the Knesset)
 Prime Minister's Office
 Ministry of Agriculture
 Ministry of Communications and Culture
 Ministry of Construction and Housing
 Ministry of Economics and Planning
 Ministry of Education
 Ministry of Energy and Infrastructure excluding Fuel Authority
 Ministry of the Environment
 Ministry of Finance
 Civil Service Commissioner
 Ministry of Foreign Affairs
 Ministry of Health (1)
 Ministry of Immigrants Absorption
 Ministry of Industry and Trade
 Ministry of the Interior
 Ministry of Justice
 Ministry of Labour and Social Affairs
 Israel Productivity Institute
 Ministry of Religious Affairs
 Ministry of Science and Technology
 Ministry of Tourism
 Ministry of Transport
 The State Controller's office

Notes:

(1) Ministry of Health - Excepted Products

- Insulin and infusion pumps
- Audiometers
- Medical dressings (bandages, adhesive tapes and gauze)
- Intravenous solution
- Administration sets for transfusions
- Scalp vein sets
- Hemi-dialysis and blood lines
- Blood packs
- Syringe needles

ANNEX 2

**Sub-Central Government Entities which Procure in Accordance
With the Provisions of this Agreement**

ISRAEL

<u>Supplies</u>	<u>Threshold:</u>	250,000 SDR
<u>Services</u> (specified in Annex 4)	<u>Threshold:</u>	250,000 SDR
<u>Construction</u> (specified in Annex 5)	<u>Threshold:</u>	8,500,000 SDR

List of Entities:

Municipalities of Jerusalem, Tel-Aviv and Haifa

The company for economy and management of the Center of Local Government

ANNEX 3

**All Other Entities which Procure in Accordance
With the Provisions of this Agreement**

ISRAEL

<u>Supplies</u>	<u>Threshold:</u>	355,000 SDR
<u>Services</u> (specified in Annex 4)	<u>Threshold:</u>	355,000 SDR
<u>Construction</u> (specified in Annex 5)	<u>Threshold:</u>	8,500,000 SDR

List of Entities:

Israel Airports Authority
Israel Ports and Railways Authority (1)
Israel Broadcasting Authority (2)
Israel Educational Television
Postal Authority (2)
Bezek (Israel Communication Company) (1) (2)
Israel Electricity Company (3)
Mekoroth Water Resources Ltd.
Sports' Gambling Arrangement Board
Israel Standards Institute
National Insurance Institute

Notes:

- (1) Procurement of cables is excluded.
- (2) With regard to procurement by Israel Broadcasting Authority, Postal Authority and Bezek, this Agreement shall apply only to goods and services of the US.

Israel is willing to negotiate the opening of its telecommunication sector also to other Code members under the condition of reciprocity.
- (3) Excluded products: cables (H.S. 8544), electro-mechanic meters (ex. H.S. 9028), transformers (H.S. 8504), disconnectors and switchers (H.S. 8535-8537), electric motors (H.S. 8501).

ANNEX 4

Services

ISRAEL

Of the Universal List of Services, as contained in document MTN.GNS/W/120, the following services are included:

<u>CPC</u>	<u>Description</u>
8672-3	Architectural services
8671	Engineering services
8674	Urban planning
841-3	Computer and related services
871	Advertising services
864	Market research and public opinion
865-6	Management consulting
9401-5	Environmental services

Note:

The offer regarding services (including construction) is subject to the limitation and conditions specified in Israel's offer under the GATS negotiation.

ANNEX 5

Construction Services

ISRAEL

Definition:

A construction services contract is a contract which has as its objective the realization by whatever means of civil or building works, in the sense of Division 51 of the Central Product Classification.

Threshold: 8,500,000 SDR

List of construction services offered

<u>CPC</u>	<u>Description</u>
511	Pre-erection work at construction sites
512	Construction work for buildings
513	Construction work for civil engineering
514	Assembly and erection of prefabricated construction
515	Special trade construction work
516	Installation work
517	Building completion and finishing work
518	Renting services related to equipment for construction

GENERAL NOTES

- (1) The Agreement shall not apply to contracts awarded for purposes of re-sale or hire to third parties, provided that the contracting entity enjoys no special or exclusive right to sell or hire the subject of such contracts and other entities are free to sell or hire it under the same conditions as the contracting entity.
- (2) The Agreement shall not apply to contracts for the purchase of water and for the supply of energy and of fuels for the production of energy.
- (3) The Agreement shall not apply to the acquisition or rental of land, buildings or other immovable property, or concerning rights thereon.

NOTE

Offset

1. Having regard to Article XVI and to general policy considerations regarding development, Israel may operate provisions which require the limited incorporation of domestic content, offset procurement or transfer of technology, in the form of objective and clearly defined conditions for participation in procedures for the award of contracts, which do not discriminate between other Parties.

This shall be done under the following terms:

- (a) Israel shall ensure that its entities indicate the existence of such conditions in their tender notices and specify them clearly in the contract documents.
 - (b) Suppliers will not be required to purchase goods that are not offered on competitive terms, including price and quality, or to take any action which is not justified from a commercial standpoint.
 - (c) Offsets in any form may be required up to 35 per cent of the contract going down to 30 per cent after five years and 20 per cent after nine years, beginning from the date Israel implements the Agreement.
2.
 - (a) At the end of each period of five and four years Israel will submit a report concerning the implementation of this Annex.
 - (b) When the level of the offset has reached 20 per cent, Israel will consult with the Parties to this Agreement on the level of the use of offset by Israel. The review shall take into consideration *inter alia* general and economic developments in Israel, its trade balance, the actual performance within the framework of this Agreement and the views of the other Parties.