

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

L/4886

23 November 1979

Limited Distribution

Original: English

AGREEMENTS BETWEEN THE EUROPEAN COMMUNITIES AND ISRAEL

Information Furnished by the Parties to the Agreements

This report covers the implementation of the Agreements until 1978.

The Free Trade Agreement between the EEC and Israel, which entered into force on 1 July 1975, and the Free Trade Agreement between Member States of the ECSC, on the one hand, and Israel on the other hand, which entered into force on 1 July 1975, have functioned normally and have been applied in accordance with their provisions.

The objective of the Agreements is to eliminate progressively the obstacles to substantially all the trade between the parties, in accordance with the provisions of the GATT concerning the establishment of free-trade areas.

The main results are as follows:

1. During the period covered by the report tariffs have been reduced in accordance with the provisions of the Agreements.
2. Tariffs on imports from Israel of industrial products to the Community were reduced to zero at 1 July 1977. For a small number of products annual tariff ceilings have been applied according to Article 5 of Protocol 1 annexed to the Agreement.
3. Tariffs on imports from EEC of industrial products were progressively reduced according to the schedule incorporated in Protocol 2 of the Agreement. On the items which consist of about 60 per cent of the imports from the Community the duty was reduced to 40 per cent at 1 July 1978. The EEC-Israel Agreement foresees a slower rhythm of tariff reduction for sensitive items which consist of about 40 per cent of the imports. The last reduction of 15 per cent occurred on 1 July 1978.
4. No quantitative import restrictions regarding products covered by the Agreements were introduced between the parties during the period under review.
5. Quantitative restrictions on imports of Israeli goods into the EEC were already cancelled as from 1 July 1975.

6. Quantitative restrictions on imports of Community goods into Israel were also removed within the framework of the general liberalization measures.

7. The rules of origin in Protocol 3 of the Agreement EEC-Israel which determine the eligibility of products for the tariff reduction under the Agreements have been applied as foreseen.

8. Commercial incidence. Approximately 92 per cent of the imports of the Community from Israel are covered by the Agreements. Ninety-nine per cent of the imports of Israel from the Community is covered by the Agreements.

Volume of Commercial Exchanges EEC-Israel*

Imports to the EEC from Israel

(in millions EUA)

Year	Industrial goods	Agricultural goods	Total
1975	313	259	572
1976	475	308	783
1977	615	358	974
1978	865	395	1,180

Source: Eurostat.

Imports to Israel from the EEC

(in \$ million)

Year	Industrial goods	Agricultural goods	Total
1975	1,732.5	19.0	1,751.5
1976	1,492.9	103.1	1,596.0
1977	1,912.6	53.9	1,966.5
1978	2,317.5	118.4	2,435.9

Source: Foreign Trade Statistics of Israel.

* As there is a discrepancy in the trade statistics of the Community and Israel, import to each party appears by its own data.