

GENERAL AGREEMENT ON TARIFFS AND TRADE

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AGREEMENT BETWEEN THE EUROPEAN ECONOMIC COMMUNITY AND ISRAEL

Information Furnished by the Parties to the Agreement

This report covers the implementation of the Agreement until 1980.

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

The main developments in the period under review were the following:

1. On 1 January 1979 and 1 January 1980, the Israeli Government made two reductions of 20 per cent each in the customs duties and charges having equivalent effect on industrial products imported from the Community and covered by Article 1:1 of Protocol 2 to the Agreement. Accordingly, the total reduction in respect of these products has reached 100 per cent.

Nevertheless, in the context of the review carried out in pursuance of Article 22 of the Agreement, the Israeli Government was dispensed from applying the 10 per cent reduction scheduled for 1 July 1979 in respect of the sensitive products listed in Annex A to Protocol 2 to the Agreement.

2. The negotiations on review of the Agreement led in 1980 to the conclusion of a second additional Protocol, currently in course of ratification, which postpones for two years:

- the next time-limits for tariff reductions stipulated in Article 1:2 of Protocol 2 to the Agreement;
- the date until which the Israeli Government is authorized to introduce, increase or re-introduce ad valorem custom duties not exceeding 20 per cent for the protection of new industries (Article 3, Protocol 2 to the Agreement).

3. In accordance with the provisions of Protocol 1 to the Agreement, the Community has abolished, with effect from 1 January 1980, the annual ceilings established for imports from Israel of the products listed in Article 5 of that Protocol.

4. Negotiations were initiated in September 1980 between the State of Israel and the Community in order to draw up a Protocol adapting the Agreement so as to take account of the consequences of accession to the Community by Greece. They ended in December with the conclusion of a Protocol that is currently in course of ratification.

VOLUME OF COMMERCIAL EXCHANGES EEC-ISRAEL^{1/}

Imports by 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	728	406	1,134
1979	852	493	1,345
6 months/1980 ^{2/}	599	325	918

Source: Eurostat.

Imports by 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
1979	2,549.2	157.8	2,707.0
1980	2,480.7	201.6	2,682.3

Source: Foreign Trade Statistics of Israel.

^{1/} As there is some discrepancy between the trade statistics of the Community and of Israel, for each party its own data have been recorded.

^{2/} Available figures.