

GENERAL AGREEMENT ON TARIFFS AND TRADE

AGREEMENT BETWEEN THE EUROPEAN ECONOMIC COMMUNITY AND ISRAEL

Information Furnished by the Parties to the Agreement

This report covers the period since 1982.

The Agreement concluded between the European Economic Community and Israel, which entered into force on 1 July 1975, has operated normally, as has the similar Agreement in respect of goods pertaining to the European Coal and Steel Community.

The main developments to be reported are the following:

1. On 1 January 1983 the Government of Israel made a reduction of 20 per cent in the customs duties, and charges of equivalent effect, on industrial products originating in the EEC and covered by Article 1:2 of Protocol No. 2 to the Agreement. This action, taken in accordance with the provisions of the second additional Protocol concluded in 1981, brought the total reduction for these products to 50 per cent.

It should be noted that, in respect of industrial products covered by Article 1:1 of Protocol No. 2 to the Agreement, duties and charges had been entirely eliminated by Israel vis-à-vis the EEC on 1 January 1980. On 1 July 1977, the Community, for its part, had entirely eliminated the duties and charges applicable to Israel's industrial products, in addition to the tariff reductions granted on most of Israel's agricultural exports.

2. Under Article 22 of the Agreement, which provides for the possible revision of its provisions, a third additional Protocol has been concluded. This Protocol entered into force on 1 January 1985. Because of Israel's economic situation, and in particular the worsening of its trade deficit, the following provisions have been agreed in this Protocol:

- a two-year postponement of the next tariff reductions by Israel scheduled under Article 1:2 of Protocol No. 2 to the Agreement, so that the dismantling of tariffs vis-à-vis the Community will be completed for all products on 1 January 1989;

- extension to 1 January 1987 of Israel's option to establish, increase or re-establish customs duties not exceeding 20 per cent for the protection of new industries (Article 3 of Protocol No. 2 to the Agreement).

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TRADE BETWEEN THE COMMUNITY AND ISRAELImports by the Community from Israel:

(ECU million)

	Industrial products	Agricultural products	Total
1982	1,166	627	1,793
1983	1,385	663	2,048
1984	1,653	710	2,363

Source: EurostatImports by Israel from the Community:

(in US\$ million)

	Industrial products	Agricultural products	Total
1982	2,784	216	2,999
1983			
1984			

Source: Foreign Trade Statistics of Israel.