

FREE TRADE AGREEMENTS BETWEEN ISRAEL AND THE CZECH REPUBLIC
AND ISRAEL AND THE SLOVAK REPUBLIC

Communication from the Parties

The following communication, dated 19 March 1998, has been received from the Permanent Mission of Israel (also on behalf of the Permanent Mission of the Czech Republic and Slovak Republic) with the request that it be circulated to the WTO Members.

Summary of the Israel - Czech Free Trade Agreement
and of the Israel - Slovak Free Trade Agreement

The key feature of the Israel - Czech Free Trade Agreement and the Israel - Slovak Free Trade Agreement is the extensive elimination of tariffs on substantially all their bilateral trade by 1 January 1999. Remaining tariffs on industrial products will be eliminated by 1 September 2000 on the Israeli side and by 1 July 2000 on the Czech and Slovak sides.

Tariff concessions in the agri-food sector covers a wide range of products of export interest to the Parties, involving substantially all their current bilateral trade.

The Agreements contain also provisions dealing with other areas of trade. These include non-tariff barriers, anti-dumping, technical barriers, sanitary and phytosanitary measures, state monopolies, rules of competition, state aid, balance of payments measures, safeguard measures and intellectual property. Where appropriate, reference is made to WTO rights and obligations.

The Agreement between Israel and the Czech Republic was signed on 20 May 1996, applied on a provisional basis since 1 January 1997 and entered into force on 1 December 1997.

The Agreement between Israel and the Slovak Republic entered into force on 1 January 1997.

Tariffs: Industrial Products

- The Agreements provide for the immediate elimination of customs duties upon their entry into force on a wide range of products, involving most of the current bilateral trade between Israel and the Czech Republic and between Israel and the Slovak Republic.

- Tariff duties on a limited number of products will be eliminated by 1 January 1999. These include, *inter alia*, certain chemicals, paper products, textiles, footwear, glass, jewellery, metal and electrical products and vehicles on the Czech and Slovak sides; and certain wood and paper products, footwear, ceramic products, jewellery, metal products and electrical equipment on the Israeli side.
- Tariff duties on textiles and a very limited number of other products will be gradually eliminated until 1 July 2000 by the Czech and Slovak sides and until 1 September 2000 by the Israeli side. These products include, *inter alia*, certain rubber products, wood and paper products, certain articles of glass, furniture and certain electrical products for imports to the Czech and Slovak Republics; for imports to Israel, they include certain iron pipes, electronic motors, transformers and electric cables.

Tariffs: Agricultural and Fisheries Products

- The Agreements provide for duty-free or reduced rates of duty, within a quota or not, on agricultural products which are of export interests to each party, among them: plants and flowers, certain dairy products, frozen and dried vegetables, citrus and other fruits, spices, wheat, sugar confectionery, chocolate, bakers' wares, preserved fruit and juices, jams, sauces, soups, ice cream and alcoholic beverages.
- The Parties will periodically examine the possibilities for further liberalization of the agri-food trade.

Rules of Origin

- The rules of origin are based on changes in tariff classification under the Harmonized System for tariff classification.
- The specific rules of origin per product are identical to the new European rules of the European Community, in order to facilitate cumulation of origin with the European Community and with other countries maintaining free-trade area agreements with Israel and with the Czech and Slovak Republics.
- The rules of origin provide for up to 10 per cent tolerance for use of non-originating materials and for outward processing in a non-member country.
- Since the Czech Republic and the Slovak Republic have a Custom Union Agreement, the rules of origin provide for cumulation of origin among the three countries.
- The Agreements provide for prohibition of drawback as of 31 December 2000.

Competition Policy

The Agreements include provisions to deal with anti-competitive and monopolistic actions by public and private undertakings.

Public Procurement

Each Party will grant suppliers of the other Party, by the end of 1998 at the latest, access to public procurements according to the provisions of the WTO Agreement on Government Procurement.

Dispute Settlement

The Agreements include a binding dispute settlement process.
