AGREEMENT ON GOVERNMENT PROCUREMENT

Addendum

Attached is a copy of Israel's Annexes\textsuperscript{1} to Appendix I of the Agreement on Government Procurement.

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ACCORD RELATIF AUX MARCHES PUBLICS

Addendum

On trouvera ci-joint copie des annexes d'Israël\textsuperscript{1} figurant à l'Appendice I de l'Accord relatif aux marchés publics.

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ACUERDO SOBRE COMPRAS DEL SECTOR PÚBLICO

Addendum

Adjuntos figuran los anexos\textsuperscript{1} del Apéndice I del Acuerdo sobre Compras del Sector Público correspondientes a Israel.

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\textsuperscript{1}English only/Anglais seulement/Inglés solamente.
ANNEX 1

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

ISRAEL

Supplies Threshold: 130,000 SDR
Services (specified in Annex 4) Threshold: 130,000 SDR
Construction (specified in Annex 5) Threshold: 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

Supplies

Threshold: 250,000 SDR

Services (specified in Annex 4)

Threshold: 250,000 SDR

Construction (specified in Annex 5)

Threshold: 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

<table>
<thead>
<tr>
<th>Supplies</th>
<th>Threshold:</th>
<th>355,000 SDR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Services (specified in Annex 4)</td>
<td>Threshold:</td>
<td>355,000 SDR</td>
</tr>
<tr>
<td>Construction (specified in Annex 5)</td>
<td>Threshold:</td>
<td>8,500,000 SDR</td>
</tr>
</tbody>
</table>

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:

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

### 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

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