

EC/Israel Euro-Mediterranean Association Agreement: technical adaptations. EU/Israel Protocol

2011/0457(NLE) - 21/12/2011 - Preparatory document

PURPOSE: to conclude the Agreement in the form of an Exchange of Letters between the European Union, of the one part, and the State of Israel, of the other part, amending the Annexes to Protocols 1 and 2 of the Euro-Mediterranean Agreement establishing an association between the European Communities and their Member States, of the one part, and the State of Israel, of the other part.

PROPOSED ACT: Council Decision.

BACKGROUND: on 14 October 2005, the Council authorised the Commission to conduct negotiations within the framework of the Euro-Mediterranean Agreement with the State of Israel, taking into account the progress made by Israel as regards the European Neighbourhood Policy Action Plan, in order to achieve **greater liberalisation of reciprocal trade in agricultural, processed agricultural products and fish and fishery products**, in the spirit of the Barcelona Process and in line with the principles of the European Neighbourhood Policy and the conclusions of the Euro-Mediterranean Conference of Ministers of Foreign Affairs in Luxembourg on 30-31 May 2005.

The European Commission and Israel officially opened the negotiations on 19 June 2006 in Tel-Aviv and concluded on 30 April 2008. The new Agreement in the form of an Exchange of Letters was signed on 4 November 2009 in Brussels and entered into force on 1 January 2010.

After the application of the new agreement, on 26 April 2010, the Israeli Embassy signalled a problem - customs duty charged on import into the EU of chemically pure lactose originating in Israel.

After deep analysis, the Commission services came to the conclusion that, as during negotiations the initial wording of Article 7: definition of industrial products in the EU-IL Association agreement was modified in order to align it with the WTO definition, the Commission unintentionally withdrew an existing tariff concession.

It is necessary to review the Agreement in order to take account of this error.

IMPACT ASSESSMENT: no impact assessment was carried out.

LEGAL BASIS: Article 207(4), first subparagraph, in conjunction with Article 218(6)(a) of the Treaty on the Functioning of the European Union (TFEU).

CONTENT: under this proposed Decision, the Agreement in the form of an Exchange of Letters between the European Union, of the one part, and Israel, of the other part, amending Annexes to Protocols 1 and 2 of the Euro-Mediterranean Agreement establishing an association between the European Communities and their Member States, of the one part, and Israel, of the other part, is hereby approved on behalf of the Union.

The following technical changes are required to modify an error made by the Commission in an earlier version of the Agreement.

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In the **new Protocol 1** (EU concessions granted to Israel), in the list of sensitive products CN subheadings 1702 11 00 (chemically pure lactose) ex 1702 30 50 and ex 1702 30 90 (chemically pure glucose) were not mentioned as excluded from heading 1702, (which during the negotiations with Israel was on the whole considered as sensitive on the EU side). Therefore, since 1.1.2010, the EU side was applying full duty to imports from Israel of chemically pure lactose and glucose. These technical changes are required in order to comply with the commitments on market access of agricultural products and processed agricultural products of the previous Agreements.

- Using the opportunity of these necessary technical modifications of the Association Agreement, some **additional technical corrections for processed agricultural products** were also included, in order to clarify an interpretation in the interest of legal certainty of the Agreement in the form of an Exchange of Letters signed on 4 November 2009 between the European Communities and the State of Israel concerning reciprocal liberalisation measures on the above mentioned products.

BUDGETARY IMPLICATION: this proposal has no implications for the EU budget.