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OFFICE OF THE UNITED STATES
TRADE REPRESENTATIVE
EXECUTIVE OFFICE OF THE PRESIDENT
WASHINGTON
20506

*File
US - Israeli
Free
Trade
Area*

UNCLASSIFIED with
~~CONFIDENTIAL~~ Attachment

July 31, 1984

TO : Members of the Trade Policy Staff Committee
FROM : Frederick L. Montgomery *FLM* Chairman
SUBJECT: TPSC Meeting, Thursday, August 2

The Trade Policy Staff Committee will meet on Thursday, August 2, 1:30 p.m., Room 303, USTR, to consider TPSC Draft Document 84-99, Add. 1, U.S.-Israel Free Trade Area Negotiations (attached).

Attachment

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4/12/19*

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TRADE POLICY STAFF COMMITTEE

DRAFT Document 84-99, Add. 1

SUBJECT:

U.S.-Israel Free Trade Area Negotiations
August 7-9, 1984

SUBMITTED BY:

Office of the United States
Trade Representative

DATE: July 31, 1984

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DECLASSIFIED
Authority State Waiver
BY RS NARA DATE 4/12/19

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TPSC PAPER

**PREPARATION FOR THE AUGUST 7-9 ROUND OF NEGOTIATIONS
ON THE U.S.-ISRAEL FREE TRADE AREA**

Problem

The next round of negotiations on the U.S.-Israel Free Trade Area is scheduled to take place in Israel, August 7-9, 1984. Negotiating instructions are needed for the U.S. delegation.

Recommendation

That the TPSC approve the attached position papers and proposals as guidance for U.S. negotiators during the August 7 round of negotiations.

Background

I. Policy guidance is requested for the following topics:

1. Staging and Product Coverage
2. Balance of Payments Provision
3. Offsets/Government Procurement
4. Intellectual Property Rights
5. Licensing

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BY RW NARA DATE 4/12/19

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(7/31/84)

1. STAGING AND PRODUCT COVERAGE

ISSUE

The U.S. delegation to the U.S.-Israel Free Trade Area negotiations needs guidance on a number of issues relating to staging and product coverage of the FTA for the August 7 round of negotiations.

BACKGROUND

At the July round of negotiations the U.S. tabled the staging proposal approved in TPSC 84-89 (adjusted to reflect modifications in recommended staging agreed upon at the TPSC meeting on this issue) and outlined for the Israelis the principles upon which the U.S. proposal was based. These principles were: (1) simultaneous staging for the U.S. and Israel; (2) three roughly equivalent tranches; (3) completion of staging within 10 years; and (4) no U.S. disadvantage vis a vis staging of the EC-Israel FTA. Our discussions did not focus on individual products. However, we did indicate that both sides could indicate a basket of sensitive products which would be included in the final staging period.

The Israelis indicated that they were highly dissatisfied with the fact that the U.S. would undertake virtually no liberalization at the outset of the agreement. They also indicated that the use of trade value alone as a determinant of "equal benefits" was highly unusual in trade negotiations and it was suggested that in addition to balancing on the basis of trade value, we use other more traditional methods of balancing, such as duties foregone and "value" of concessions to ensure that benefits were equivalent.

At an informal meeting, the GOI indicated that they needed to be able to show some additional benefit to Israel in the early stages in order to obtain approval from the Israeli business community for the agreement. Recognizing that the trade was duty-free in any case, they requested that we consider including additional GSP eligible items (beyond the under 5 percent GSP-eligible items we had indicated) in the initial stage. They also requested that we consider an approach to eliminate duties on sensitive items which would allow for three reductions in tariffs at zero, five and ten years. Finally, the Israelis requested short or medium-term staging for a couple of their important high fashion textile items such as bathing suits and leather wearing apparel. The U.S. indicated that we would give further consideration to these requests after receiving the Israeli annotated licensing list--which has arrived.

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It was agreed that both sides would use 1982 trade data as the basis for the negotiations.

General Issues

1. Implementation of Staging

The U.S. ITC has indicated that, from an administrative perspective, it is practical to implement the agreement as few tranches as necessary. This is due to problems which result from the rounding of very low duty rates and administrative problems relating to the frequent modification of the tariff schedule. From a practical perspective, it seems to make sense to consider three tranches given our "non-sensitive", "slightly sensitive" and "sensitive" categories.

If tariff reductions were staged in three tranches, with some reduction on all products upon entry into force, and a second reduction at 5 years for items to be staged over a ten year period, duties on all staged products would move downward somewhat although the removal of protection would not be as gradual as under a policy of more frequent changes.

RECOMMENDATION: That the TPSC recommend that the U.S. delegation inform the Government of Israel that for administrative reasons the U.S. would prefer to adopt an approach which would minimize the number of modifications that must be made to the tariff schedules in the course of staging of the agreement. We would expect them to do the same on their side.

2. Treatment of Items Staged in the Tokyo Round

Israel has suggested that while 1982 is the analytical base year for the FTA negotiations, we should calculate tariff cuts from 1987 final MTN rates. This is based upon their view that these are concessions that have already been granted and each party should not be able to benefit further from the granting of these concessions.

In fact, very little trade would be affected by this approach. Based on 1982 trade, \$23 million (or 4.5 percent of dutiable trade) is represented in this category. Since in most cases the items in this category are reaching their final staging levels, most of these products would probably be included in one of the first two staging periods under the FTA and thus be reduced to zero within five years under any general scenario we adopt. However, since we do not yet have comparable statistics for Israel the Task Force is reluctant to recommend that we either proceed along these lines or discard the idea. We believe that it would be prudent to obtain statistics from the GOI on their MTN concessions and the 1987 rates for review by the Task

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Force before we can agree to this approach.

RECOMMENDATION:

1. That the U.S. delegation obtain figures from the Government of Israel on the amount of trade represented in this category.

Request and Offers

The delegation should continue to be guided by the principles outlined in the last round and should endeavor to achieve a balanced package which takes account of our interest in a mutually beneficial agreement which meets the definition of simultaneity, addresses products which are sensitive in the U.S. in the later stages (as indicated in TPSC 84-89) and achieves the greatest number of U.S. priority requests in the earliest stages possible. The delegation should take account of overall trade coverage, dutiable trade, duties foregone and the political and economic importance of selected items in balancing the U.S. and Israeli staging.

U.S. Request

At the last round the U.S. did not table specific requests. We have already indicated that we do not want to be disadvantaged vis a vis the EC-Israel staging, particularly on the products of greatest interest to us. We flagged the GSP Understanding products as those for which we clearly wanted duty reductions to zero at least by 1989 when the EC-Israel agreement reaches final staging. These products, which are unbound, represented \$364 million in U.S. exports in 1982. We also need to ensure that the products identified in the attached list of additional priority items (Attachment A) are also phased to zero within the first five years. The industrial products included on this list represent an additional \$183 million in 1982 exports to Israel. We are still calculating the trade value of the agricultural requests, but we estimate that they represent approximately \$75 million in 1982 trade, much of which is entering Israel duty free on an unbound basis.

The TPSC Task Force has prepared a suggested staging scenario for Israeli imports from the United States (Attachment B) which meets the same general criteria for staging outlined in the proposed U.S. offer (see below). We have attempted to balance the degree of liberalization of **dutiable** trade between the U.S. and Israel at 80 percent after five years, noting that we are starting from uneven levels of MFN duty free trade. The ten year category is thus reserved for the remaining 20 percent of **dutiable** trade which is most sensitive. In comparison to the suggested U.S. offer below, the U.S. is requesting that the Israelis eliminate duties on 61 percent of **overall** trade within five years, whereas we

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would be liberalizing 92 percent of our **overall** trade in the same period.

RECOMMENDATIONS:

1. That the TPSC approve the U.S. priority request list included in Attachment A.
2. That the TPSC approve the U.S. requested staging scenario (Attachment B) for use in the negotiations and instruct the delegation to base further requests of the Israelis on the general principles upon which the U.S. offer is based.
3. That the TPSC recommend that the U.S. delegation balance the U.S. request and offer on the basis of trade coverage, dutiable trade, duties foregone and the political and economic importance of individual items.

U.S. Offer

The TPSC had already approved an alternate staging scenario which conforms to the Israeli request to include some additional GSP-eligible items (up to 10 percent AVE GSP items) and MFN products with a duty less than 5 percent within the first three years after entry into force. However, the U.S. did not table this proposal. In preparation for the next round of negotiations, however, the TPSC Task Force on Israel suggests that this proposal, with minor modifications, (Attachment C) be tabled as an opening position for the round. In addition, the Task Force has prepared a number of alternate scenarios for use during the negotiations. These scenarios include a variety of approaches which address the products reviewed by the TPSC and different AVE class items in various staging categories. The Task Force also prepared a scenario which represents a **theoretical** bottom line (Attachment D) which places all items in the immediate staging category except those items that were specifically identified as sensitive in the TPSC review process. Obviously, from a negotiating and balancing perspective, the theoretical bottom line is not acceptable. However, it is provided to give a clear indication of the trade value of the most sensitive items and where they would fall in a three stage scenario.

RECOMMENDATION: That the U.S. delegation be instructed to table the suggested opening staging scenario at the August 7 negotiations and be guided by the general principles upon which the U.S. offer is based in conducting further negotiations with the Israelis on this issue.

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Product_Coverage

The U.S. needs to consider how to address the most sensitive products for which we were not able to reach interagency agreement before the last round. USTR is recommending that the following approach be adopted for those items identified by the U.S. ITC as sensitive in the context of this agreement.

- 1) That there be a freeze on tariff reductions on these products for a five-year period.
- 2) That after five years the U.S. ITC would be asked to reevaluate the state of the U.S. industries involved to determine if they believe that imports from Israel could threaten the U.S. industry.

The products identified by the U.S. ITC include: certain bromine products, certain gold jewelry items, processed tomato products, olives, dehydrated onions and garlic, citrus fruit juices, and cut roses.

These products represented \$68 million in trade in 1982, of which \$44 million in jewelry and bromine products was duty free under GSP. (See Attachment E)

RECOMMENDATION: That the TPSC direct the U.S. delegation to explore this approach with the Government of Israel.

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ATTACHMENT A
U.S. PRIORITY REQUESTS

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U.S. PREFERRED STAGING LIST

<u>BTN#</u>	<u>Product Description</u>	<u>1982 Duty Rate</u>		<u>1982 Israeli Imports (\$1,000)</u>			<u>Source</u>
		<u>General</u>	<u>E.C.</u>	<u>Total</u>	<u>U.S.</u>	<u>% Total</u>	
08.01.2000	All nuts, except almonds	25%	16%	8,425	2,594	30.8	ITA/TD Review
08.12.0000	Other dried fruit	25%	25%	750	29	3.9	ITA/TD Review
10.06.9900	Rice, nes	5%	5%	16,080	2,135	13.3	ITA/TD Review
13.03.9900	Vegetable saps and extracts	8%	7%	1,063	440	41.4	ITA/TD Review
20.07.9900	Fruit, vegetable juice	16%	16%	9,547	794	4.0	ITA/TD Review
21.06.9900	Natural yeast baking powders, nes	14%	12.2%	467	32	6.8	ITA/TD Review
22.08.0000	Neutral ethyl alcohol	IS 0.5/ liter + 8%	IS 0.5/ liter + 7%	3,329	1,837	55.2	ITA/TD Review
22.09.9900	Spirits and liqueurs	IS 15.77/liter +16%	+14%	1,533	541	35.0	ITA/TD Review
24.01.0000	Unmanufactured tobacco	IS 0.85 /kg. + 12%		21,103	4,879	23.1	ITA/TD Review
24.02.1000	Cigarettes	12%	12%	8,306	7,730	93.1	ITA/TD Review

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24.02.2000	Cigars	IS 122 /kg. + 24%	21%	129	35	27.1	ITA/TD Review
28.16	Ammonia anhydrous or in aqueous solution	Free	Free	9,121	-----	-----	Carmel Imp./Exp. Trade Ltd. (CIET)
37.07.9900	Toner & developer for Laser printers	20%	Free		Not listed		B & B Technical Enterprises
38.16	Culture media for development of organisms	8%	4.5%	767	524	68%	Difco
39.02.5599	Pipe, rod, monofil yarns, n.e.s.	14%	11%	2,070	669	32%	Rubatex Corp.
39.03.2000	Cellophane	15%	Free	2,686	73	3%	Olin Corp.
39.03.4029	Cellophane (foamed plastic Plates)	IS 5.74/ kg. + + 13.6%	11.9%	206			Olin Corp.
39.06.1090	High polymers (alginic acid)	16%	Free	897	245	27%	CIET
41.01.1000	Buffalo, cattle and equine hides and skins	Free	Free	2,921	1,966	67.3.	ITA/TD Review
41.01.3000	Sheep and lamb hides	Free	Free	1,047	779	74.4	ITA/TD Review
41.01.9900	Hides and skins, n.e.s.	Free	Free	449	218	48.5	ITA/TD Review

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41.02.9900	Other bovine and equine leather	IS 0.89 /sq. ft.		4,448	1,234	27.7	ITA/TD Review
49.08.9000	Transfers, n.e.s.	32%	?	427	45	10.5	ITA/TD Review
49.09.0000	Picture postcards	22.5%	22.5%	64	28	43.8	ITA/TD Review
49.11.3000	Pictures without texts, looseleaf or in separate sheets	12%	Free	487	27	5.5	ITA/TD Review
49.11.9900	Other printed matter	18%	15.7%	3,127	2,333	74.6	ITA/TD Review
68.07.0000	Slag wool & similar mineral material	14%	14%	586	287	49%	Cisco
70.20.1010	Fiberglass products	Free	Free	1,031	627	61%	PPG
70.20.1020	Fiberglass products				Not listed		PPG
70.20.3029	Glass fibers & plastic plates	IS 232/ kg. + 12%	IS 169/ kg. + 8.9%	1,261	1,121	89%	Nicrofibers
70.20.3090	Plates, sheets, etc., fiberglass	22%	22%	1,133	658	58%	Nicrofibers
70.20.6000	Fiberglass products (other glass yarns)	16%	16%	43	-----	-----	PPG

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70.20.9990	Fiberglass articles, n.e.s.	22%	22%	832	272	32%	Microfibers
74.03.1120	Copper wire (wire, bars)	4%	3%	1,105	224	20%	Hudson Wire
76.16.3000	Wire gauge, reinforcing fabrics, etc.	10%	8.9%	103	129	99%	Phifer Int'l Sales Corp.
84.06.3000	Aircraft engines	Free	Free	48,715	36,418	75%	ITA/TD Review
84.06.9950	Aircraft engine parts	Free	Free	18,468	15,399	83%	ITA/TD Review
84.09	Mechanically propelled and road rollers	5%	Free	4,026	-----	-----	Hudson Wire Ingersoll-Rand Co.
84.21.7311	Water sprinklers	14%	14%	78	61	78%	ITA/TD Review
84.21.7320	Water sprinklers (parts)	14%	14%	22	-----	-----	ITA/TD Review
84.45.5000	Drilling, boring and milling machines	Free	Free		Not listed		TPSC Review
84.45.5090	Metal working tools	14%	14%	1,508	292	19%	TPSC Review
84.53.9900	Data processing machines	4%	3.5%	177,410	79,476	44%	TPSC Review
84.54.3090	Office machines, n.e.s.	10%	7.9%	65	-----	-----	TPSC Review
85.08.1000	Elec. equip. for aircraft ITA/TD Review	Free	Free		Not listed		ITA/TD Review

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85.13.1040	Telegraphic apparatus (incl. teleprinters)	8%	4.9%	7,299	4,726	64%	TPSC Review
85.13.1050	Carrier current line systems	8%	4.9%	5,669	1,261	22%	ITA/TD Review
85.13.1090	Telephonic apparatus (other)	18%	18%	8,872	4,182	47%	ITA/TD Review
85.13.2020	Parts of telegraphic apparatus	8%	4.9%	3,660	896	24%	ITA/TD Review
85.13.2090	Parts of telephonic apparatus (other)	18%	18%	19,912	12,907	65%	ITA/TD Review
85.15.1000*	Radio receivers	17.8%	17.8%	13,504	11,808	87.4%	ITA/TD Review
85.15.3020	Transmitters for sound	8%	4.9%		Not listed		ITA/TD Review
85.15.3090	Other transmitters	18%	15.7%	136	45	33.0	ITA/TD Review
85.15.7000	Sound receivers designed for motor vehicles	22%	22%	2,272	179	8.0	ITA/TD Review
85.18.1010	Electrical capacitors, fixed	16%	14.9%	130	31	31	TPSC Review
85.18.1030	Electrical capacitors, fixed	5.6%	4.9%	892	77	8%	TPSC Review
85.19.1000	Electrical resistors, fixed (or variable)	Free	Free	11,0722	5,231	18%	TPSC Review

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85.19.2000	Printed circuits	20%	20%	4,066	2,061	50%	TPSC Review
90.10.4000	X-ray film processors	8%	Free	99	-----	-----	Pako Corp.
90.24.1010	Oil pressure gauges for motor vehicles	24%	24%	47	-----	-----	ITA/TD Review
90.24.1090	Pressure gauges (other)	16%	11.9%	1,288	611	47%	ITA/TD Review
90.25.6000	PH Meters (elec. meas. apparatus)	16%	16%		Not listed		ITA/TD Review
90.28.1010	Instruments for motor vehicles (except speedometers)	24%	24%	57	-----	-----	ITA/TD Review
92.12.2019	Computer magnetic tape	IS 0.78/10G meters + 12%	+ 10.5%	9,759	-----	-----	B & B Technical Enterprises
92.12.2020	Computer discs plus diskettes	20%	13.1%	2,195	1,069	49%	B & B Technical Enterprises
98.02.1000	Slide fasteners	IS 1.5/running meter +18%	14.9%	1,549	283	18%	YKK (USA) Inc.

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99.02.2000	Parts of slide fasteners	IS.77	14.9%	562	149	26%	YKK (USA) Inc.
		per running meter + 18% (one side of slide fastener)					
98.02.2090	Other	18%	14.9%		Not listed		B & B Technical Enterprises
Total preferred				449,005	211,429	47.0	
Total (preferred products, excluding these MFN duty free)				356,181	150,791	42.3	
Total Israeli Imports (All Products)				8,116,100	1,542,000	19.0	
Percent preferred products of total Israeli Imports				5.5%	13.7%	----	
Percent preferred products (excluding MFN duty free) of total Israeli Imports				4.4%	9.7%	----	

* / 1975 GSP Understanding Item
IS = Israel: shekel

Prepared by Department of Commerce - July 1984

Derivately Classified by Albert J. Planagan
Source: TPSC Document 84-89, July 3, 1984
Declassify: July 3, 1990

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Priority Agricultural Tariff Requests from Israel

Following is a list of USDA's priority tariff requests from Israel under the proposed FTA:

<u>Tariff Request</u>	<u>Products Covered</u>
I. Maintain at zero.	-- All current duty-free items, in particular: (b) corn (10.05); (b) sorghum (ex. 10.07); and (c) soybeans (ex. 12.01).
II. Reduce to zero immediately or within a five-year staging period.	All dutiable products in BTN chapters: 2 -- meat products; 4 -- dairy and poultry products; 8 -- fruit nuts and preparations, 10 -- grains, excluding wheat* 11 -- grain preparations, particularly cereal flours; 12 -- Oilseeds and products; 16 -- meat preparations; 20 -- fruit and vegetable preparations; 22 -- soft drinks, wines and spirits; and 24 -- tobacco and tobacco products, particularly cigarettes and manufactured and unmanufactured tobacco.

* Wheat (10.01) is bound at zero under the GATT.

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ATTACHMENT B

PROPOSED U.S. REQUEST FOR STAGING
(based on 1982 trade)

	<u>VALUE</u> <u>(\$MILLION)</u>	<u>PERCENT</u> <u>TOTAL TRADE</u>	<u>PERCENT</u> <u>DUTIABLE TRADE</u>
Total Israeli imports from USA	1559	100%	
Duty Free Bound	344	22.1	
Duty Free Unbound	606	38.9	
Dutiable	609	39.1	>

IMMEDIATE STAGING

Duty Free Bound	344	21.1	
Priority Requests	243	<u>15.6</u> (37.7)	20 (20)

5 YEARS

GSP Understanding Items	364	<u>23.3</u> (61.0)	59.7 (79.7)
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10 YEARS

Dutiable Sensitive (unspecified to date by GOI)	608	<u>39%</u> (100%)	20% (99.7)
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7/25/84ATTACHMENT CU.S. OFFER
SUGGESTED OPENING POSITION

	<u>VALUE (\$ T)</u>	<u>PERCENT</u> <u>TOTAL</u> <u>TRADE</u>	<u>%DUTIABLE</u> <u>TRADE</u>
<u>MFN FREE</u>	<u>647.1</u>	<u>55.6</u>	
<u>IMMEDIATE</u>			
a) <5% GSP (less TPSC M&L)	185.0		35.9
b) <10% GSP (less TPSC M&L)	96.1		18.7
c) <5% MFN (less M&L+I)	<u>6.1</u>		<u>1.1</u>
	287.2	24.7(80.3)	(55.7)
<u>5 YEARS</u>			
a) GSP <10 TPSC M's	78.0		15.1
b) <5 MFN M's	1.0		0
c) <10% MFN (plus TPSC I&M)	12.2		2.3
d) <15% GSP (less TPSC L)	28.4		5.5
e) <15% GSP (less TPSC L)	<u>13.5</u>		<u>2.6</u>
	133.1	11.5(91.8)	25.8(81.5)
<u>10 YEARS</u>			
a) All TPSC L ¹	88.7		17.2
b) >10% MFN	<u>5.5</u>		<u>1.0</u>
	94.2	8.1(99.9)	18.2(99.7)
<u>TOTAL</u>	1162		

¹Includes all textile products and all ITC items. Under proposal, duty reduction on ITC items will be frozen for the first 5 years. A second review by the ITC will take place at 5 years.

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7/25/84ATTACHMENT DU.S. STAGING SCENARIO
(Theoretical Bottom Line)
based on 1982 trade

	<u>DUTIABLE</u> <u>VALUE</u> (\$ T)	<u>PERCENT</u> <u>TOTAL</u> <u>TRADE</u>	<u>%DUTIABLE</u> <u>TRADE</u>
<u>MFN FREE</u>	647.1	55.6	
<u>IMMEDIATE</u>			
a) All products not identified for special staging by TPSC	262.1		50.8%
b) All items identified by TPSC for immediate staging	<u>80.8</u> 324.9	<u>29.5</u> (85.1)	<u>15.6%</u> 66.4
<u>5 YEARS</u>			
a) All items identified by TPSC to medium stag- ing	91.2	7.8 (92.9)	<u>17.7%</u> (84.1)
<u>10 YEARS</u>			
a) All items identified by TPSC for long staging ¹	80.5	<u>6.9</u> (99.8)	<u>15.6%</u> (99.7%)
TOTAL	514.6		

¹Excludes all textile items not specifically identified by TPSC. General textile items were flagged for later consideration by TPSC.

ATTACHMENT E

ITC - ITEMS

	<u>1982</u> <u>IMPORTS</u> <u>(\$T)</u>	<u>%DUTIABLE</u> <u>TRADE</u> <u>(112 m)</u>	<u>1983</u> <u>IMPORTS</u>	<u>%DUTIABLE</u> <u>TRADE¹</u> <u>(62.5m)</u>
1. Dehydrated onions & garlic	0		0	
2. Tomato products	18,571		20,643	
3. Olives	2,692		1,718	
4. Orange Juice	9		0	
5. Roses	295		441	
6. Jewelry ²	D 1,325		--	
MFN & GSP	DF (43,752)		(44,776)	
7. Bromine	D 891		1,924	
	DF (344)		--	
<u>TOTAL DUTIABLE</u>	23,783	(21.2%)	24,726	(39.5%)
Total Duty-Free	<u>44,096</u>			

¹ Estimated by USITC at 5% U.S. imports.

² 4 items GSP eligible 1982, 3 items eligible 1983

2. BALANCE OF PAYMENTS PROVISION

Issue

At the July round, the Israelis tabled a balance of payments proposal in response to the U.S. paper on BOP measures presented at the May round of negotiations. During the July session, the United States delegation agreed to prepare a revised balance of payments proposal for consideration during the August round. The TPSC needs to approve the attached proposal for presentation to the Israelis during the August 7 negotiations.

Recommendation

That the TPSC approve the attached balance of payments proposal for presentation to the GOI delegation during the August round of negotiations.

Discussion

The balance of payments proposal tabled by the Israelis in July did not prove acceptable to the U.S. delegation. The U.S. explored with the Israelis the possibility of exempting the FTA parties from the application of any BOP measures, but this idea was rejected by the GOI. The U.S. informally responded to the Israeli proposal at the last session, and agreement on some principles (see attached list) was reached. For the August round, the U.S. delegation agreed to prepare a revised balance of payments proposal that would take into account the Israelis' July BOP proposal.

Major differences exist in the Israeli and the U.S. approach to this aspect of the free trade area agreement. The U.S. is concerned that Israel not use balance of payments measures to nullify the trade benefits that we expect to gain from the FTA. The Israelis, for their part, wish to maintain flexibility to take BOP measures as needed.

The Israelis are willing to notify and consult on BOP measures taken, as they do in the GATT, but they do not agree to defer taking action until such consultations have taken place. They have not agreed to phasing out existing measures. While they agree that BOP measures should not undermine the benefits of the agreement to either party, they would like to introduce a threshold idea, so that compensation or retaliation would only be permissible if it is determined that BOP measures have impaired benefits to a significant degree. They would like to handle disputes concerning actions taken for balance of payments provisions within the overall dispute settlement framework.

BALANCE OF PAYMENTS PROVISION

The United States and Israel remain far apart over the provisions of an Article governing the imposition of trade restrictions for balance-of-payments (BOP) reasons. Israel proposed a text that gave it freedom to impose BOP-justified trade restrictions. The USG counter, that no BOP-justified restrictions be permitted on each other's trade, was rejected by Israel. The USG, on an informal basis, then suggested language that would limit a country's freedom to use a BOP-justification to impose trade restrictions. The attached draft refines that proposal.

Listed below are the main elements of the proposal and Israel's preliminary reaction:

<u>US PROPOSAL</u>	<u>ISRAEL REACTION</u>
1. BOP-justification has to be temporary but serious BOP problem.	Acceptable
2. Notification and consultation	Acceptable
3. Restrictions may be surcharges, quotas, or import deposits	Acceptable
4. Temporary but serious BOP problem defined as reversible by policy measures, identifiable by economic indicators, and addressed by macro policy changes.	Not yet seen. Probably not acceptable
5. Restrictions limited to 150 days, unless renewed by legislative body.	Acceptable
6. Quotas, however, can be in effect for 150 days.	Time limit acceptable, 150 days probably is too short
7. Trade measures should be consistent with severity of BOP problem.	Acceptable
8. Annual consultations if restrictions maintained.	Acceptable
9. Hortatory language on avoiding cumulation of measures.	Acceptable
10. Guarantee of most-favored-nation treatment.	Acceptable
11. Prohibiting BOP-justification for protection by stating BOP measure must cover 80 percent of non-primary imports.	Principle of non-protection acceptable. Definition not seen; probably not acceptable



- 12. Phase-out of existing BOP trade measures. Probably not acceptable (depends in part on list of such measures to be supplied by GOI)

- 13. Violation justifies retaliation or compensation. Acceptable

- 14. Serious negative impact on trade justifies retaliation or compensation--even if no violation. Unclear. GOI seems to accept only if margin of preference has been reduced



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July 31, 1984

DRAFT BALANCE OF PAYMENTS LANGUAGE

1.) When one of the Contracting Parties suffers from a temporary but serious balance of payments problem, or is threatened thereby, the Contracting Party concerned may apply, after notification and consultation with the other Party under the notification and consultation provisions of Article (), one or more of the following trade measures:

- a) a temporary import surcharge in the form of import duties;
- b) a temporary quota on imports; or
- c) a temporary import deposit.

2) For purposes of paragraph 1, a temporary but serious balance of payments problem is one which: (a) is reversible by policy measures within a short time frame; and (b) is indicated by a deterioration in the overall balance of payments position as shown by such indicators as a major decline in the exchange rate, of foreign exchange reserves, in the current account balance, and in the trade account balance; and (c) is of such proportions that the party implements (within 60 days after the new trade measures enter into force or are notified to the other party) changes in its macroeconomic policies to correct the temporary but serious balance of payments problem.

3) The measures described in paragraph 1 may remain in force for a period not exceeding 150 days unless prolonged by the appropriate legislative body of the Party concerned for subsequent periods of 150 days; except that quotas may be imposed only for a total duration of 150 days.

4) Trade measures imposed under the provisions of paragraph 1 will be consistent in duration and effect with the severity of the balance of payments problem and will be progressively relaxed consistent with improvements in that Party's balance of payments situation. In the event that the trade measures are not eliminated within a year, or if they are intensified, consultations will be held on the BOP situation, including other economic measures which might be taken to deal with the BOP problems and to permit early elimination of the trade measures.

5) Whenever practicable, the Parties will avoid applying more than one of the measures in paragraph 1 to any single product at the same time.

6) In applying trade measures for balance of payments reasons, the Parties will accord treatment not less favorable to imports originating in each other's territories than to imports originating in third countries, and will not impair the relative benefits accorded to the other Party under this Agreement.

7) Trade measures imposed under paragraph 1 shall apply to all products imported, except that certain essential imports may be excluded. Measures imposed under paragraph 1 may not be used to protect individual industries or sectors. Accordingly, to be considered a balance-of-payments-justified measure, at least 80 percent of the total imports (excluding primary products) of the Party concerned must be covered by each measure imposed under paragraph 1. In addition, except for minor or technical changes, the Party imposing trade measures pursuant to paragraph 1 may not add individual items to lists of products subject to such measures and may not apply new restrictions to individual items by claiming balance of payments justifications, except as provided in paragraph 4. Minor or technical changes must be notified in accordance with Article ().

8) Attached is an annex of trade measures currently taken for balance of payments reasons by both Parties, including the schedule for elimination of such measures.

9) Violation of any of the provisions listed above by one Party shall justify either a claim for compensation or offsetting action by the other Party. Non-violation of the provisions of this Article may also justify compensation claims or offsetting action if a non-violative action under paragraph 1 by one Party has a serious negative impact on the trade of the other Party.

10) Disputes relating to the operation of this Article shall be subject to the provisions of Article () on Dispute Settlement.

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3. Options on Dealing with
Israeli Offset and Buy Israeli Policies

Policy

During our July meetings in Washington, the GOI proposed that the U.S. eliminate all Buy America restrictions on civilian procurement vis-a-vis Israel in exchange for their elimination of Buy Israeli preferences vis-a-vis the United States and their elimination of offset requirements for civilian procurement. We need to decide how to deal with the Israeli proposal and our desire to eliminate offsets in the context of the FTA.

Recommendation

(To be discussed)

Discussion

The following discussion applies only to civilian government procurement. Military procurement and any area covered by current Israeli-US MOA's are outside the scope of this discussion.

Buy America Provisions

As signatories of the GATT Government Procurement Code, the U.S. and Israel already benefit from mutual waivers of buy national restrictions on purchases of most goods by covered

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entities. We could waive Buy America preferences and extend full procedural safeguards to the areas listed below, starting with the least difficult option:

1. purchases below the current threshold of the Government Procurement Code;
2. purchases by civilian agencies not currently covered by the Code;
3. purchases of some or all services, including construction services;
4. purchases by state and local governments funded through Federal grants;

Discussion

1. Purchases below the current threshold of the Government Procurement Code: The current threshold under the Government Procurement Code is 150,000 SDRs. Lowering that threshold for all U.S.G. civilian procurement potentially increases Israeli access to our Government procurement market by SDRs 423 million, compared with SDR 23.5 billion already open under the Code.

As the table below illustrates, lowering the threshold to about SDRs 100,000 may be worth pursuing, but much below that level, the average value of the contracts is too low to be of significant benefit to Israeli suppliers. However, the number of contracts opened in this limited value range may be substantially reduced by small business set-asides.

U.S. Procurement by Civilian Agencies
Below Current Government Procurement Code Threshold

<u>RANGE</u> <u>VALUE</u>	<u># OF</u> <u>CONTRACTS</u>	<u>TOTAL</u> <u>VALUE</u>	<u>AVERAGE</u> <u>PER</u>
			(SDRs 1000)
Between 100,000 - 150,000 SDRs	1,337	164,301	122,888
Between 10,000 - 100,000 SDRs	22,528	258,456	11,473
Total	23,865	422,757	17,714

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Even allowing for the continuation of small business set-asides, we can expect strong opposition to lowering the threshold for Israel from the small business lobby in Congress. The success rate of small businesses in competitive (i.e. non-set-aside) procurement rises in inverse proportion to contract values. This opposition could be somewhat lessened if we only seek to reduce the threshold to 100,000 SDRs, but it could still remain a significant problem.

Also, creation of a dual threshold, one for Israel and one for other Code signatories, is likely to cause administrative difficulties for procuring agencies and require substantial effort to ensure agency compliance.

Another difficulty relates to ongoing discussions with Canada on procurement. The Canadians have proposed a bilateral agreement to waive all Buy National restrictions on a reciprocal basis. We have responded, thus far, that we don't see the potential for a deal as their would be little benefit for U.S. exporters compared to Canadian exporters. As a similar situation pertains in the case of Israel, the Canadians are likely to have a strong negative reaction if we enter into such an agreement with Israel.

2. Purchases by the few civilian agencies not currently covered by the Code: Most USG civilian agencies are subject to the Code. Buy America waivers could be extended to the following, uncovered entities:

- Department of Energy (including the Bonneville Power Administration)
- Department of Transportation (including the Coast Guard)

- Bureau of Reclamation
- National Tool Center and Region 9 of GSA
- *Federal Reserve Board
- Federal Election Commission
- Federal Emergency Management Agency
- Tennessee Valley Authority
- *National Railroad Passenger Corporation (AMTRAK)
- Postal Rate Commission
- *Postal Service
- Small Business Administration
- *Pension Benefits Guaranty Corporation

The total value of contracts procured by these agencies is about \$4 billion; however, the value we are likely to be able to offer is significantly less.

Coal purchases by TVA, which are of no interest to Israel, account for approximately one third of these total purchases.

Although most of GSA purchases are covered under the Government Procurement Code, the National Tool Center, which purchases hand tools, and Region 9, which purchases flatware, were specifically deleted because of strong lobbies for both sectors. The value of these purchases is \$42 million. Challenging these lobbies in exchange for access to Israeli market will be very difficult.

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Those semi-autonomous entities identified with an asterisk (*) are not currently bound by Federal acquisition regulations. Further study is required to determine whether, or with what modifications, these entities could be required to followed Federal procurement regulations. For example, including AMTRAK and the Postal Service, which together account for approximately \$1 billion in procurement, would probably require changes in the charters of those entities.

If the Department of Transport were added, special consideration would have to be given to whether or not to cover the Coast Guard. The Coast Guard is basically a military entity, but is not covered by the Defense MOA. Total DOT purchases are about \$600,000 annually, the bulk of which is procured by the Coast Guard.

The Corps of Engineers, while not covered by the Government Procurement Code, is not included in this analysis as it is part of the Defense Department. Corps of Engineer purchases are subject to the U.S./Israeli defense MOA.

In summary, the value of relevant procurement for which Buy America preferences could be waived is about \$340 million, after excluding purchases by the TVA, the non-Code covered elements of GSA, and the agencies marked with an asterisk in the above list.

As in the case of lowering the Code threshold, this option would pose significant administrative difficulties as we would have to apply the Code, for one country, to agencies that have never applied it.

3. Purchases of some or all services, including construction services: Civilian agencies purchase about \$21.5 billion in services annually. Of this, \$6.5 billion is for operations and maintenance of government-owned facilities; \$5 billion is for R&D; \$2 billion for utilities; \$2 billion for construction; \$550 million for all types of architectural and engineering services and \$700 million for automated data processing services.

It is difficult to overestimate the opposition to waiving Buy America restrictions which we are likely to encounter if we seek to eliminate Buy America preferences in the construction and architectural and engineering services sectors. Attempting to do so could well jeopardize efforts to extend the Government Procurement Code to some service sectors.

Perhaps the largest obstacle to covering government procurement of services in the Israeli Free Trade Agreement, at least in the short run, is that no guidelines or procedures presently exist to ensure non-discriminatory bidding on service contracts. Unlike the two cases above, which only entail

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extending the guidelines contained in the Government Procurement Code to a new range of products or to new agencies, no separate guidelines exist for procurement of services and the Code's guidelines are probably not fully relevant. Work is just beginning in the GATT Procurement Committee to address this problem, but will not be completed in the near future. Additional time would be required for the U.S. to determine how to implement the new guidelines.

4. Purchases by state and local governments funded through Federal grants: In total the Federal Government provides about \$50 billion annually in Federal grant funding to states. Most

of this, however, does not contain Federal, Buy America-type restrictions. The two largest grant programs which contain Federal procurement restrictions are programs funded under the the Surface Transportation Assistance Act (STAA) and the Clean Water Act.

The STAA funds approximately \$12 billion in highway and bridge construction through Federal grants to states. It also has a very strong constituency on the Hill, which could be expected to resist fiercely any erosion of buy national provisions. Grants under the Clean Water Act are approximately \$2.5 billion annually, of which \$0.5 billion is subject to buy national restrictions.

Beyond removing Federal requirements which discriminate in favor of U.S. products, we could, in theory, prohibit states from employing state-buy America restrictions on projects which utilize grant aid and/or require states to follow Federal procurement regulations on these contracts. The further one proceeds in this direction the more troublesome become the Constitutional questions regarding State's rights. For example, the Israeli Government has expressed interest in obtaining waivers of state and local buy-America restrictions. The potential opposition this raises from proponents of State's rights and buy-at-home provisions is so strong that no combination of waivers of offsets and Buy Israeli restrictions are likely to provide the necessary balance to tackle this issue.

Mechanisms for Waiving Buy America Restrictions:

For cases 1-3 above: After obtaining Congressional approval of the entire Israel Free Trade Area package, the President could use the public interest waiver in the Buy America Act and direct heads of agencies to waive Buy America restrictions.

For case 4 (Federal grants): Would require changes in authorizing legislation for each grant-giving program.

Offsets

In discussing Israel's offset practices, the GOI explained that it is strictly a "best efforts" policy, that it comes into play only after a successful bidder has been identified, that the amount of the requested offset is limited to 35% of the contract amount, and that there is no penalty or warranty clause. This policy, they said, does not apply to purchases covered by the Government Procurement Code

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We have several options for dealing with this policy:

1. Ask the GOI to treat US source civilian procurement in the same manner it treats Code covered procurement, i.e., that it not apply any kind of offset policy.

Pro:

-- Would provide the greatest degree of trade opportunity for American exporters.

Con:

-- The GOI would strongly resist. A prolonged hassle on this subject could distract attention from inherently more important negotiating issues such as subsidies.

2. Ask the GOI to commit itself in writing to limitations on its offset policy for US suppliers which essentially match the description they have already given us of their policy.

Under this option, we would envisage a provision of the agreement spelling out that Israel would not use offset requests as a means of choosing between US and other foreign suppliers; that their policy would continue to be a "best efforts" policy, that there would be no penalty or warranty clauses, and that the percentage of contract for which offsets could be sought would be limited to 35%. In addition, we would retain the right to raise problems involving offset requests under the agreement's consultations procedures.

Pro:

-- Provides leverage for USD businesses to resist offset pressures at pre-award phase of contracting.

- Would prevent the GOI from changing its policy to our detriment at a later stage;

-- Is probably obtainable.

Con:

-- Does not represent significant improvement in the present manner in which Israel operates its offset policy.

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3. Ask the GOI to incorporate into the FTA language on offsets drawn from the Government Procurement Code:

Article V 14 (h) states that "Entities should normally refrain from awarding contracts on the condition that the supplier provide offset procurement opportunities or similar conditions. In the limited number of cases where such requisites are part of a contract, Parties concerned shall limit the offset to a reasonable proportion within the contract value and shall not favour suppliers from one Party over suppliers from any other Party. Licensing of technology should not normally be used as a condition of award but instances where it is required should be as infrequent as possible and suppliers from one party shall not be favoured over suppliers from any other Party."

Pro:

-- The Code language has international standing and has already been accepted by the GOI in the context of their Code membership.

-- Emphasis is on avoiding offsets, albeit in a very mild way.

Con:

-- Because it is less specific and more hortatory than option 2, this option could permit the GOI to tighten up on its offset requests, for example by increasing the percentage of coverage.

-- Use of this particular provision of the Code without the rest of the Code provisions would be somewhat anomalous; and incorporation of the whole Code would widen the scope of the negotiations to include Buy America.

-- US plans to propose complete prohibition of offsets under the Government Procurement Code as part of on-going renegotiations of the Code. Uncertainty about the outcome of this effort could complicate negotiation of the FTA.

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4. INTELLECTUAL PROPERTY RIGHTS

ISSUE

The USG wishes to include a provision in the FTA on the treatment of intellectual property rights.

RECOMMENDATION

That the draft language below on intellectual property rights be approved for presentation to the GOI during the August 7 negotiations.

DISCUSSION

In addition to the two agreements identified in the first sentence of the proposal below, Israel and the United States are members of the World Intellectual Property Organization. Both have adhered to the Paris Convention for the Protection of Industrial Property, the International Patent Classification Agreement, the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks, the International Convention for the Protection of New Varieties of Plants, the Universal Copyright Convention, and the Geneva Convention for the Protection of Producers of Phonograms Against Unauthorized Duplication of Their Phonograms.

Israel also is a signatory to the Madrid Agreement for the Repression of False or Deceptive Indications of Source of Goods, the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration, and the Berne Convention for the Protection of Literary and Artistic Works. The United States is ineligible to accede to these agreements since its law is inconsistent with significant provisions of those agreements.

The United States is a signatory to the Patent Cooperation Treaty to which Israel does not belong.

PROPOSAL

Both Parties reaffirm their obligations under the Agreement relating to reciprocal copyright relations (which entered into force May 4, 1950), under Article X of the Treaty of friendship, commerce, and navigation (which entered into force April 3, 1954), and under all multilateral agreements related to intellectual property rights in effect between the two Parties. Accordingly, nationals and companies of either Party shall continue to be accorded within the territories of the other Party, national and most-favored-nation treatment with respect to obtaining, maintaining, and enforcing patents of invention, with respect to obtaining and enforcing copyrights, and with respect to rights in trademarks, servicemarks, tradenames, trade labels and industrial property of all kinds.

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5. LICENSING

Issue

The Israelis have submitted their annotated list of products currently subject to import licensing. The USG needs to evaluate that list and determine how to address current licensing restrictions in the context of the free trade area.

Recommendation

That the previously-cleared TPSC position on licensing be reconfirmed.

Discussion

During the July negotiations, the Israelis indicated that import licensing affects only a very small percentage of their total imports. They noted that in 1982, \$4 billion in imports were covered by licensing. Of that amount, \$1.9 billion was petroleum and petroleum products, and another \$600 million was state-traded agricultural products, gold, and foods subject to kosher requirements (e.g., frozen meat, etc.). Another \$1 billion was in imports covered by Article XX general exceptions. After subtracting these totals, only \$500 million (or less than 1 percent of total 1982 imports of \$8.7 billion) was affected by licensing requirements. The IMF staff report on its March 1984 Article IV consultations with Israel seems to confirm the general direction of the Israeli argument, as it concludes that Israel's 1983 imports were "virtually free" of licensing restrictions.

The TPSC Subcommittee is still analyzing in detail those U.S. exports which are subject to licensing and import deposits. However, an initial concordance between the licensing list, the list of items subject to import deposits and the list of products on the 1975 GSP Understanding indicates that \$102.7 million or 39.3 percent of the 1982 trade in GSP Understanding items was subject to either licensing or the import deposit scheme. This trade included a number of large volume items, including \$22 million in excavating equipment, \$11 million in parts for calculating machines, \$12 million in radio-telegraphic equipment, \$13 million in motor vehicles, and \$9 million in refrigerating equipment. The TPSC subcommittee will have figures available on all products affected by licensing for review at the Thursday TPSC meeting.

The Israeli annotated list provides 11 justifications for including products on the import licensing list. In a number of cases, several justifications are shown. For a significant number of the products on the list, the Israelis indicate either that

U.S.-sourced products will be **exempt** from licensing requirements upon entry into force of the agreement (Category A) or, simultaneously with the extension of duty-free treatment to specified products, those items when imported from the U.S. will enter under **automatic** licensing (Category B). The TPSC needs to decide if the Israeli proposal for handling U.S.-sourced products is acceptable.

The USG tabled a general proposal on licensing at the last round of negotiations, and requested an Israeli response to it in August. The U.S. proposal (attached) would place all U.S. products on **automatic licensing**, unless licenses are required to administer a quantitative restriction allowed under another provision of the agreement or to administer dietary kosher requirements. The U.S. proposal also provides for notification and consultation in the event that products are shifted from automatic to non-automatic licensing. The TPSC needs to decide if the previously tabled licensing proposal is satisfactory given the Israeli offer on the licensing of U.S. products.

CLASSIFIED BY Doral Cooper
DECLASSIFIED ON 7/31/84

July 26 1984

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ANSWERS TO THE ADDITIONAL QUESTIONS ON LICENSING

Question No. 1

Subject to reciprocity Israel will consider exemption from licensing requirement for products originating in the U.S.A. included in category "A", and will substitute non-automatic licensing by automatic licensing for products included in categories "B" and "G".

List of products subject to licensing and the relevant categories is included in annex I.

With regard to products classified under categories "C", "D", "E", "F", and "K" licenses will be issued in cases where either the applicant or the product will meet with the relevant standards:

With regard to agricultural policy detailed description was submitted at the meeting held in Jerusalem, last May.

There is no other basis for denying import licenses for any product.

There will be not absolute prohibition of imports of industrial products originating in the USA. Even in the case of Hebrew language book it is suggested that Israel will substitute non-automatic licensing by automatic licensing upon entry to force of the Agreement, subject to reciprocity.

Criteria to be met by an import license applicant

A. General

Liberalized Imports Order (add. 1981) describes the criteria to be met by an entity which is interested to import and/or export.

The criteria are the following :

- 1) it should be resident in Israel, or
- 2) A corporation registered in Israel, or
- 3) A non-profit corporation registered in Israel.

B. Additional criteria are required in certain cases :

1. Authorization to deal with precious metals :

- a) The applicant must be a corporation with capital of at least 1 million U.S.dollars.

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- b) The applicant must be able to prove business connections with foreign gold suppliers, including commercial banks.
- c) The shareholders and the director general will be equipped with "Clearance-Certificate" issued by the Israel Police.
- d) The applicant will maintain book keeping in accordance with the standards required by the law
- e) The applicant will hold stocks of not less than 100 kg of unwrought gold.
- f) the applicant will sell at least 500 kg unwrought gold annually
- g) the applicant will undertake to report on his sales in accordance with the requirements of the "competant authority"
- 8) The applicant will submit every year balance-sheets and profit and losses account audited by an authorized accountant

2. Authorization to deal with textiles garments and footwear :

Liberalized Imports Order 1979 (corr.5) describes the additional criteria to be met with by an importer who deals with textiles garments and footwear. In essence the applicant should prove that he maintains book keeping and pays value-added-tax and income tax.

3. Authorized importer of pharmaceutical products

Criteria will be supplied at a later date.

4. Authorized importer of motor vehicles

Criteria will be supplied at a later date.

Question No. 2

See information contained in the answer to the question No. 1

Question No. 3 - 4

To date only one product i.e. soft drinks is subject to automatic - licensing.

Question No. 5

Import licenses are used also to assure, interalia, that products meet with published standards designed to protect public morals, health, safety, the environment or the conservation of scarce resources, and to assure compliance with regulations concerning gold and silver, and to protect national treasures and to secure compliance with laws and regulations such as, collection of levies, state trading, kashrut.

Question No. 6

Israeli standards are prepared by the Israeli Standard Institute.

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The standard is prepared by a committee consisting of representative of : consumers associations, manufactures, importers and relevant government officials and representatives of scientific research institutions.

Foreign producers are not authorized to participate in the preparation of standards. They may, however, present their views in writing and the committee will take this presentation into consideration.

Notice about the introduction of a new standards including amendments to existing standards are published in the Official Gazette of the Government of Israel - "RESHUMOT".

The standards are available to the public in all the branches of the Israeli Standard Institute.

The standards normally specify performance requirements and test methods.

According to the law the test can be carried out either in the laboratories of the Israeli Standard Institute or in an authorized laboratory.

So far practically all the tests were carried out in the laboratories of the Institute.

Question No. 7

Whenever a product is marked "Kosher" it has to be validated by a Rabbinical Authority recognized specifically by the Chief Rabbinate of Israel.

The importers normally arrange the necessary steps prior to obtaining the import license.

Imports of certain "non-kosher" foods are not normally authorized. Other foods should be marked accordingly.

The Government of Israel permits from time to time the importation of small quantities of non-kosher food for the consumption of minorities.

The Chief Rabbinate of Israel is authorized by the law to supervise "Kashrut" of imported foods.

Question No. 8

There are no specific intentions to modify significantly the list of

Question No. 9

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Unless the inclusion of a new product in the licensing scheme is aiming at the prevention of serious injury to domestic producers, such inclusions are normally done following an informal process of consultations with interested parties.

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Question No. 10

Bulk agricultural commodities which are state traded are included in the licensing scheme in order to prevent imports by other importers.

The licensing insures that only the authorized entities will be permitted to import these commodities.

IMPORTS SUBJECT TO LICENSING

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Category	B T N	Description
AP.E	01.02	Live animals of the bovine species
AP.E	01.04	Live sheep and goats
AP.E	01.05	Live Poultry
	<u>Ch. 2</u>	<u>Meat and edible Offals (Entire chapter)</u>
AP.K.E.ST	02.01	Animals within headings 01.01, 01.02, 01.03, 01.04. fresh, chilled or frozen
AP.K.E.	02.02	Dead poultry (i.e., fowl; ducks, geese, turkeys, guinea fowl) and edible offals thereof (ex.liver) fresh, chilled or frozen
AP.K.E.	02.03	Poultry liver, fresh, chilled, frozen, salted or in brine
K.E.AP	02.04	Other meat and edible meat offals, fresh, chilled or frozen
K.E.AP	02.05	Unrendered lard free of lean meat and unrendered poultry fat, fresh, chilled, frozen, salted, in brine, dried or smoked
K.E.AP	02.06	Meat and edible meat offals (except poultry liver), salted in brine, dried or smoked.
	<u>Ch. 3</u>	<u>Fish, Crustaceans and Molluscs</u>
AP.K.E.	03.01	Fish, fresh (live or dead) chilled or frozen. Entire heading, except : 03.01.4030 ("Lachs")
K.E.AP	03.01.2000	Frozen fish
	(03.02.3000)	Fish, dried, salted or in brine, smoked fish, whether
	(.4000)	or not cooked before or during the smoking process.
G.K.E.	(.5000)	Entire heading, except 03.02.2000. (salted or in
	(.9900)	brine)
K.E.	03.03	Crustaceans and molluscs, whether in shell or not, fresh, chilled, frozen, salted, in brine or dried; crustaceans, in shell, simply boiled in water. Entire heading.
AP.E.K.	<u>Ch. 4</u>	<u>Dairy Products: Birds eggs: Natural honey. Edible products of animal-origin, not elsewhere specified or included</u> Entire chapter except 04.02.1000 (condensed milk)

K.E.	05.04	Guts, bladders and stomachs of animals (other than fish) whole and pieces thereof.
AP.A	05.05	Fish waste
E.	05.14	Ambergris, castoreum, civet and musk, cantharides, bile, whether or not dried, animal products, fresh, chilled or frozen or otherwise provisionally preserved, of a kind used in the preparation of pharmaceutical products
H/21 K.	05.15	Animal products n.e.s. or included, dead animals of Chapter 1 or chapter 3, unfit for human consumption
A.	05.15.3000	Rennet bags of calves
AP	06.01	Bulbs, tubers, tuberous roots, corms, crowns and rhizomes, dormant, in growth or in flower.
AP	06.02	Other live plants, including trees, shrubs, bushes, roots cuttings and slips.
AP	06.03
AP	06.04	Foliage, branches and other parts (other than flowers or buds) of trees. Entire heading.
AP	07.01	Vegetables, fresh or chilled
A	07.01.3000	Garlic
AP	07.02	Vegetables (whether or not cooked), preserved by freezing.
AP	07.03.9900	Tomatoes, preserved
AP	07.04.4000+3
AP	07.05.1000	Peas for sowing only
E.AP	07.05.9900	Dried leguminous vegetables, other for sowing only
E.AP	07.06 (ex)	Sweet potatoes
AP.E	<u>Ch. 8</u>	<u>Edible Fruit and nuts, melon or of citrus fruit.</u>
A	09.01	Coffee, coffee substitutes containing any percentage of coffee.
A	09.02.9990	Tea in big packages over 1 kg.
AP.E	09.10.1000	Dill seeds.
ST.	<u>Ch. 10</u>	<u>Cereals.</u> Entire chapter except: 10.04 (oats) 10.07.1000, (unhusked buckwheat) 10.07.3000 (canary seeds), 10.06 (rice)

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ST.	11.01	Cereal flours
ST.	11.02.1000	Except buckwheat
G.	11.08 (ex)	Starches;
E.C.	12.01.1000	Poppy seeds
E.AP.	12.01.2000	Groundnuts
E.	12.01.3500	Cotton seeds
E.AP	12.01.5500	Soya beans
ST.	12.01.9900	Other oil seeds and oleaginous fruit
E.C.	12.02.1000	Flour or meal of poppy seeds
E.	12.03	Seeds fruit and spores, of a kind used for sowing.
E.	13.03.1020	Saps and extracts as follows: opium aloes, curare, podophyllum, manna, belladonna, black alder, cascara-sagrada, gentian, jalap, kola, cinchona, rhubarb, valerian, coca, colocynth, male fern, henbane, ergot of rye, ephedra, condurango fluid, hydrastis cand., ipecac. concentr., protinet, rhatanhia (krameria), senegae, viburni, prunifolii, fuci visculosi,
K.E.	15.01	Lard, other pig fat and poultry fat, rendered or solvent-extracted
K.E.	15.02	Fats of bovine cattle, sheep or goats, unrendered (Entire heading)
K.E	15.03	Lard stearin, oleostearin and tallow stearin (Entire heading)
K.E.	15.06	Other animals oils and fats (Entire heading)
ST.	15.07.1031	Soya bean oil
ST.	15.07.1032	Cotton seed oil
AP.	15.07.1034	Olive oil
A.	15.07.1035	Sunflower seed oil
A.	15.07.1036	Coconut (copra) oil
A.	15.07.1037	Palm oil, palm kernel oil, rape oil, colza oil and mustard oil
ST.	15.07.1090	Other n.e.s.
ST.	15.07.9990	Other oils and fats; other
E.K.	15.12	Animal or vegetable oils and fats, wholly or partly hydrogenated or solidified or hardened by any other

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(... heading)

K.E. 15.13 Margarine, imitation lard and other prepared edible fats

K.E. Ch. 16 Preparations of Meat, Fish, Crustaceans or Molluscs.

Entire chapter except 16.04.2010 (salmon and other preserves of the "lachs" type), 16.04.3000 (spiced or pickled herring, in barrels, other than pickled in vinegar).

A. 17.01.1000 Raw sugar

A. 17.01.9900 Other sugar

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G. 17.02.9900(ex) Glucose

E.K. 17.04.5000 Halva

A. 18.06 (ex) Chocolate and other food preparations containing cocoa. Entire heading, except chocolate

A. 19.02.9900 Other flour products, especially dietetical and baby foods.

E.K. 19.03 Macaroni, spaghetti and similar products.

E.K. 19.07 Breads, ships' biscuits and other ordinary baker wares, not containing added sugar, honey, eggs, fats, cheese, or fruit.

E.K. 19.08 Pastry, biscuits, cakes and other fine baker's wares, whether or not containing cocoa in any proportion.

E.AP. 20.02.4090 Vegetables preserved otherwise than by vinegar

E.AP. 20.02.9900 Vegetables preserved otherwise than by vinegar

A. 20.05 Jams

E.AP. 20.06 (ex) Canned plums only.

E.AP. 20.07.1090 Tomato juice

E.AP. 20.07.9900 Other, fruit and vegetable juices.

A. 21.02 Coffee, tea extracts and substitutes.

A. 21.03 Mustard flour and prepared mustard

E.K. 21.04 Sauces; mixed condiments and mixed seasonings

E.K. 21.05 Soups and broths, in liquid, solid or powder form; homogenized composite food preparations.

A. 21.06 Natural yeast (active or inactive); prepared baking powders

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E.K.	21.07	Food preparations not elsewhere specified or included
A.	22.01	Waters, including spa waters
G.	22.02	Lemonade, flavoured spa waters, (not including drinks falling within heading 20.07)
A.	22.03	Beer made from malt
AP.E.	22.04	Grape must, in fermentation or with fermentation arrested other wise than by the addition of alcohol
AP.E.	22.05	Wine of fresh grapes; grape must with fermentation arrested by addition of alcohol
A.	22.06	Vermouth and other wines of grapes flavoured with aromatic extracts.
D.	22.08	Ethyl alcohol or natural spirits. Entire heading.
D.	22.09.1000	Compound alcoholic preparations for the manufacture of beverages
A.	22.09.9900	Other spirits, liqueurs and spirituous beverages
A.	22.10	Vinegar and substitutes for vinegar.
A.	23.01	Flours and meals, of meat, offals, fish, crustaceans or molluscs unfit for human consumption.
ST.	23.04	Oil cake and other residues (excl. dregs) resulting from the extraction of vegetable oils.
A.	23.05	Wine lees : argol
E.	23.07.3000	Animal feed containing 20%-30% protein and minimum 10% fats.
E.	23.07.9900	Animal feed n.e.s.
C.	24.01.	Unmanufactured tobacco, tobacco refuse
C.	24.02.3000	Tobaccos manufactured n.e.s.
C.	24.02.9900	Other, tobacco extracts and essents n.e.s.
A.	25.01	Salt
A.	25.22	Quicklime, slaked lime and hydraulic lime, other than calcium oxide and hydroxide
A.	25.23	Cement
	27.01	Coal, briquettes ovoids and similar solid fuels manufactured from oil.

- 27.02 Lignite, whether or not agglomerated.
- 27.04 Coke and semi-coke of coal of lignite or of peat
- 27.06 Tar distilled from coal from lignite or from peat.
Entire heading.
- 27.09 Petroleum oils and oils obtained from bituminous minerals, crude.
- 27.10.1500 Petrol. Entire subheading.
- 27.10.2000(ex) Mineral terpenin
- 27.10.2500 Kerosene
- 27.10.3000 Solar
- 27.10.3500 Mazut
- 27.10.4000 Diesel
- 27.10.5500 Lubricating oils
- 27.10.6000 Greases
- 27.10.9990 Other petroleum oils, and oils prepared of minerals
- 27.11 Petroleum gases and other gaseous hydrocarbons.
- 27.14.9900 Other; petroleum bitumen, coke and residues of petroleum
- 27.15 Bitumine and asphalt
- 27.16 Bituminous mixtures based on natural asphalt, etc.
Entire heading.

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- C. 28.04.9900(ex) Phosphorus only
- C. 28.32 Chlorates and perchlorates. Entire subheading.
- C. 28.39 Nitrites and nitrates
- E. 28.50 Fissile chemical elements and isotopes, other radio-active chemical elements, etc. Entire heading.
- E. 28.51 Isotope and their compounds, inorganic and organic, etc. Entire heading.
- E. 28.52 Compounds, inorganic or organic, of thorium or uranium, etc. Entire heading.
- A. 29.04.1010 Methanol
- A. 29.16.2000 Citric acid and its salts
- A. 29.16.4000 Malic acid.

and their salts, etc.

- E. 29.44 (ex) Antibiotics for production of veterinary medicaments
- E. 29.45 Other organic compounds
- C.(except: 31.02
31.02.9919,
31.02.9990) Mineral or chemical fertilizers, nitrogeous
- E. 34.01 Soap
- A. 34.02.4000 Sodium stearoyl - 2 - lactylate
- A. 34.02.9920 Organic surface - active agents : in packing cont more than 25kg.
- E. 34.02.9900 Organic surface active agent, other
- A. 35.01 Casein, caseinates and other casein derivatives : casein glues.
- E.K. 35.02 Albumins, albuminates and other albumin derivatives.
- E.K. 35.03 Gelatin (including gelatin rectangles, whether or no coloured or surface workad) etc. Entire heading.
- E.K. 35.05 (ex) Soluble and roasted starches
- A. 35.07 Enzymes
- E. 36.06 Matches (ex. Bengal matches).
- E. 38.11.1000 Substances of a kind used in the prevention and control of animal or plant pests and diseases. Entire subheading.
- E. 38.49.9920(ex) Preparations for contact lenses.
- E. 38.19.9990(ex) Preparations for contact lenses.
- A. 39.01.3510 Condensation, polycondensation and polyaddition made of spongy layers of phenolic and aminoplastic resins.
- A. 39.02.5590 Other
- A. 39.07.1410 Plastic materials made of spongy layers of phenolic and aminoplastic resins
- C. 39.07.5100(ex) Travel goods and other articles specified in heading 42.02, made of plastics, with electronic signalling device
- A. 39.07.9900(ex) Lasts, nine pairs or more
- C. 42.02 (ex) Travel goods, (luggage) made of leather with electronic signalling device.

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A.	44.14.9920	Sheets for the manufacture of plywood.
A.	44.14.9990	Sliced wood, other.
QR.	44.15.	Plywood
A.	44.18.7	Reconstituted wood
A.	48.01.1010	News print for printing newspapers.
D.	48.01.4000	Cigarette paper
D.	48.10	Cigarette paper, cut to size, whether or not in the form of booklets or tube.
G.	<u>Ch. 49 (ex)</u>	<u>Printed books (in Hebrew)</u>
B.	51.04	Woven fabrics of man-made fibers (continuous)
G.	53.07.1000	which contains acryls or modacryls in any percentage
G.	53.08.1000	which contains acryls or modacryls in any percentage.
G.	53.09.1000	which contains acryls or modacryls in any percentage.
G.	53.10.1000	which contains acryls or modacryls in any percentage.
B.	53.11	Woven fabrics of sheep's or lambs' wool or of fine animal hair.
AP	55.01/2	...
AP	55.02/0	...
AP	55.03/8	...
B.	55.05	Cotton yarn, not put up for retail sale.
B.	55.09	Other woven fabrics of cotton
G.	56.01.1010	Acryls or modacryls
G.	56.01.1091	which contains acryls or modacryls in any percentage.
G.	56.01.2010	which contains acryls or modacryls in any percentage.
G.	56.02.1010	Acryls or modacryls.
G.	56.02.1091	which contains acryls or modacryls in any percentage.
G.	56.02.2010	which contains acryls or modacryls in any percentage.
G.	56.04.1011	Acryls or modacryls.
G.	56.04.1012	Other, containing acrylic or modacrylic fibres in any percentage.
G.	56.04.1021	which contains acryls or modacryls in any percentage
G.	56.05.1091	Acryls or modacryls.
G.	56.05.1092	Others which contain acryls or modacryls in any percentage.

- G. 56.05.2094 Yarn listed under Sec 2093 which contains acryls or modacryls in any percentage
- G. 56.06.1091 Acryls or modacryls.
- G. 56.06.1092 Others which contain acryl or modacryls in any percentage
- G. 56.06.2094 Yarn listed under Sec. 2093 with contains acryls or modacryls in any percentage.
- B. 56.07 Woven fabrics of man-made fibres (discontinuous or waste)
- B. 59.05 Nets, netting and made-up nets of a kind, etc.
- B. 60.01 Knitted or crocheted fabrics not elastic nor rubberised
- B. 60.03 Stockings, under stockings, socks, ankle-socks, sockettes and the like, knitted or crocheted, not elastic or rubberised
- B. 60.04 Under garments, knitted or crocheted; not elastic nor rubberised
- B. 60.05 Outer garments and other articles, knitted or crocheted, not elastic nor rubberised.
- B. 61.01 Men's and boys' outer garments
- B. 61.02 Women's, girls' and infants' outer garments
- B. 61.03 Men's and boys' under garments, including collar, shirt fronts and cuffs.
- B. 61.04 Women's, girls' and infants' under garments
- A. 63.01 Clothing, clothing accessories, household linen and furnishing articles (other than articles falling within heading No. 58.02, 58.01 or 58.03) of textile materials, footwear and headgear of any material showing signs of appreciable wear and imported in bulk or in bales sacks or similar bulk becking.
- A. 64.01 Footwear with outer soles and uppers of rubber or artificial plastic material
- A. 64.02 Footwear with outer soles of leather or composition leather; footwear (other than No. 64.01) with outer soles of rubber or artificial plastic material
- A. 64.03 Footwear with outer soles of wood or cork
- A. 64.04 Footwear with outer soles of other materials
- A. 69.08 Glazed setts, flags and paving, hearth and wall tiles.
- A. 69.11 Tableware and other articles of a kind commonly used

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- A. 69.12 Tableware and other articles of a kind commonly used for domestic purposes and of other kinds of pottery.
- A. 70.04.2000(ex)) Glass completely transparent, with smooth surfaces on both sides, excl. coloured
- A. 70.04.9900(ex))
- A. 70.05 (ex))
- A. 70.10.2000(ex) Bottle of glass volume over 200cc.
- F. 71.07 Gold including platinum-plated gold, unwrought or semi-manufactured Entire heading.
- F. 71.08 rolled gold on base-metal or silver, unworked or semi-manufactured.
- F. 71.09 Platinum and other metals of the platinum group, unwrought or semi-wrought
- F. 71.10 Rolled platinum or other platinum group metals on base metal or precious metal, etc.
- A. 71.11 Goldsmiths', silversmiths, and jewellers's sweeping, residues, etc.
- A. 71.12 Articles of jewellery and parts thereof, etc. entire heading
- A. 71.13 Articles of goldsmiths' or silversmiths' and parts thereof, etc. Entire heading.
- A. 71.14 Other articles of precious metal or rolled precious metal
- A. 71.15 Articles consisting of, or incorporating, pearls, precious or semi-precious stones, (natural, synthetic or reconstituted)
- F. 72.01.9900(ex) Gold coins.
- G. 73.10.3500 Rods (including wire rods) with depressions and protusions, whether or not twisted
- G. 73.10.9900 Other bars and rods
- G. 73.11.1010 Low carbon steel (up to 0.30% carbon content)
- G. 73.14 Iron or steel wire, whether or not coated but not insulated
- G. 73.15.2000 Wire rod.
- G. 73.15.5090 Steel wire. Other
- G. 73.15.9900 Alloy steel, Other

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- A. 73.17 Tubes and pipes, of cast iron
- A. 73.18.3090 Tubes and pipes of iron or steel. Other
- G. 73.20.4000 Cast fittings
- A. 73.36.1000 Heaters by petroleum oils or oils obtained from bituminous materials
- A. 76.03.9900 Other, wrought plates, sheets and strip of aluminium
- G. 76.04.9900 Aluminium foil of thickness not exceeding 0.20 mm. Other. Stranded wire, cables, cordage, ropes, plaited bands and the like, of aluminium wire, but excluding insulated electric wires and cables
- A. 76.12
- c/21 A. 84.09 (ex) Mechanically propelled road rollers, netweight over 7000 kg, used
- A. 84.11 (ex) Air compressor, output 160 cubic feet/minute. Used
- A. 84.12 Air conditioning machines, self-contained, comprising a motor-driven fan and elements for changing the temperature and humidity of air
- A. 84.15.9900 Other, refrigerators and refrigerating equipment.
- A. 84.18.1090(ex) Machinery for the kind used to extract edible oil
- A. 84.19.9990 Other, Machinery for cleaning and drying bottles and other containers.
- A. 84.20.5020 Table scales showing the weight as well as the amount.
- A. 84.20.5050 with automatic regulation of flow into packaging containers.
- A. 84.20.5060 For weighing mixtures of building materials provided they are mechanically equipped, etc.
- A. 84.20.5090 Other, scales and balances
- A. 84.20.9010 Scale beams, with or without casings for weighing incorporating electric printing mechanism
- A. 84.20.9090 Other, parts and weights
- G.E. 84.21 (ex) Mechanical appliances for projecting, dispersing or spraying powders (for use in agricultural).
- A. 84.22.2010 For temporary installation during construction.
- A. 84.22.3000 Jacks, including those for tipping bodies, excl. pneumatic jacks for garages and movable pneumatic and

- A. 84.22.5010 Cranes of total weight exceeding 100 T each
- A. 84.22.5020 Cranes for loading or discharging vessels.
- A. 84.22.5031 Used for conveying flour in flour mills for the preparing of fodder mixtures for animals, etc.
- A. 84.22.5090(ex) Cranes and conveyors, other, excl. transporter cranes.
- A. 84.22.6000 Machinery mounted or adapted for mounting on a tractor, etc.
- G. 84.22.8091 Of kinds used for earth, stone, road making or building work
- A. 84.22.9930 Safety frames or safety cabins, etc.
- G. 84.23 Machinery stationary or mobile, for earth, minerals or ores, etc. Entire heading.
- E. 84.24 Agricultural and horticultural machinery for soil preparation or cultivation etc.
- E. 84.25 Harvesting and threshing machinery, etc. Entire heading
- E. 84.26 Dairy machinery, etc
- E. 84.28 Other agricultural, horticultural, poultry-keeping and bee-keeping machinery, etc. Entire heading.
- ST. 84.29 Machinery of the kind used in the bread grain milling industry and other machinery. Entire heading.
- A. 84.40.3010 Washing machines having a washing tank of a volume not exceeding 150 LT.
- A. 84.47.9910(ex) Wood nailing machines.
- A. 84.52.2000 Cash registers
- A. 84.59.1559(ex) Road finisher used
- A. 84.59.1590(ex) Machinery and Mechanical appliances of a kind suitable for the production of edible oils.
- A. 84.59.9900 Other, machinery and mechanical appliances
- A. 85.03.1090 Other, cells and batteries
- A. 85.13.1010 Telephone apparatus with amplifier, to be used for communication between bed-ridden children and school classes.
- A. 85.13.1050 Carrier-current line systems.
- A. 85.13.1090 Other, electrical line telephonic and telegraph apparatus

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- A. 85.15.1000 Radio-telegraphic and radiotelephonic transmission and reception apparatus.
- A. 85.15.2000 Radio-navigational aid apparatus, radar apparatus and radio remote control apparatus
- A. 85.15.3000 Transmitters not specified in paragraph 1000, Entire subheading
- A. 85.15.4500 Television receivers whether or not combined with other apparatus, entire subheading.
- A. 85.16 Electric traffic control equipment for railways, roads or inland waterways, and equipment, etc.
- A. 85.17.1000 Electric fire alarms.
- A. 85.17.2000 specially designed for aircraft or vessels.
- A. 85.17.9900 Other, electric sound or visual signalling apparatus
- A. 85.20.1090 Other, incandescent lamps
- A. 85.20.2020(ex) Fluorescent lamps length 59cm - 121cm.
- G. 85.23.3000 Insulated electric wire with two or three multiple-strand conductors provided that the area of each stranded conductor does not exceed 1,5 mm²
- G. 85.23.4000 . With 16 conductors or more single stranded
- G. 85.23.9910 .. Containing insulation paper
- G. 85.23.9929 ... Other containing insulation of plastic materials
- G. 85.23.9990 Insulated electronic wire, cable, n.s.s.
- G. 87.01. Tractors
- E.A. 87.02.1010 Motor vehicles for transport of persons or goods
- E.A. 87.02.1500 Motor vehicles used for burial purposes, etc
- E.A. 87.02.2510 Ambulances
- E.C. 87.02.2600 Buses
- E.A. 87.02.3010 Motor vehicles imported with the approval of the chief fire brigade inspector, etc.
- E.A. 87.02.4010 Fire engines if imported with the approval of the chief fire brigade inspector.
- E.A. 87.02.4020 Vehicles specially built for street cleaning, etc
- E.A. 87.02.5000 dumpers, bitumen tankers, cement bulk distributors, Entire subheading

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- E.A. 87.02.5520(ex) Delivery vans having an authorised total weight not exceeding 2,200 kg. Used.
- E.A. 87.02.9919 Other
- E.A. 87.02.9930 Commercial vehicles propelled by a compression ignition engine etc. entire subheading.
- E.A. 87.03.1000 Lorries specially constructed and used for cleaning streets, air field runways, etc.
- E.A. 87.03.3000 Mobile derricks (ie. lorries fitted with a derrick assembly, etc.)
- E.A. 87.03.4000 Fire engines and fire escapes imported with the approval of the chief fire brigade inspector, etc.
- E.A. 87.03.5000 Vans specially built for the preparation or sale of food and drinks (e.g., mobile canteens, etc).
- E.A. 87.03.6000 Refuse vehicles.
- E.A. 87.03.6500 Concrete mixer vehicles except those under 6600
- E.A. 87.03.6600 Concrete mixer vehicles which fulfill all the following conditions : A. Mixer whose capacity does not exceed 3600 LT. B. equipped with hydraulic apparatus for self-loading, etc.
- E.A. 87.03.7000 Concrete pumps, mobile.
- E.A. 87.03.8000 Cranes, mobile, mounted on a chassis specially constructed for carrying cranes.
- E.A. 87.04 Chassis fitted with engines, for the motor vehicles falling within heading No. 87.01, 87.02 or 87.03. Entire heading
- E. 87.05 (ex) Bodies (including cabs) for the motor vehicles falling within heading No. 87.01, 87.02 or 87.03, used.
- E.G. 87.05.2000 Safety frames or safety cabins, etc.
- E.A. 87.07.1000 Fork lifts and parts thereof. entire heading
- E.A. 87.07.9900 Others
- E.A. 87.09 Motor-cycles, auto-cycles and cycles fitted with an auxiliary motor with or without side cars, side cars of all kinds.
- E.A. 87.11 (ex) Invalid carriages
- A. 87.14 Other vehicleless (including trailers), not mechanically propelled and parts.

- E.G. 88.02 (ex) Airplanes for agriculture
- E.G. 89.01 (ex) Ships, boats and other vessels for fishing; sport boats and sail boats.
- A. 90.17.7010 Certified by the Director General of the Ministry of Health as not produced in Israel.
- A. 90.19.3000 Hearing aids, heart pacemakers.
- A. 90.26.1000 Electricity supply or production meters.
- E.G. 90.27.4020 .. Taximeters having cumulative, non-reversible registers
- A. 90.28.6021 Taximeters, accumulating
- C. Ch. 93 Arms and ammunition, parts thereof. Entire chapter
- A. 94.01 Chairs and other seats, parts
- A. 94.03 Other furniture and parts thereof
- G. 98.05.5000 Pencils covered by any material, where the cover is thicker than 1mm
- G. 98.05.9900 Other, pencils, pencil leads etc.

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EXPLANATIONS TO THE LIST

Category A - Imports originating in the U.S.A. will be exempted from licensing requirement upon entry into force of the F.T.A. Agreement.

Category B - Imports originating in the U.S.A. will be subject to automatic licensing during the staging period. These imports will be exempted from licensing requirement on the day in which they will be exempted from customs duties.

Category C - National security requirement and control drug traffic

Category D - To assure collection of levies

Category E - To assure conformity with: standards, health, phytosanitary and labelling requirements and end uses

Category F - Imports of gold and silver

Category G - Automatic licensing upon entry into force of the F.T.A. Agreement

Category AP - Agricultural policy

Category ST - State trading

Category K - Kashrut

Q R - Quantitative restrictions

EXPLANATIONS TO THE LIST

Category A - Imports originating in the U.S.A. will be exempted from licensing requirement upon entry into force of the F.T.A. Agreement.

Category B - Imports originating in the U.S.A. will be subject to automatic licensing during the staging period. These imports will be exempted from licensing requirement on the day in which they will be exempted from customs duties.

Category C - National security requirement and control drug traffic

Category D - To assure collection of levies

Category E - To assure conformity with: standards, health, phytosanitary and labelling requirements and end uses

Category F - Imports of gold and silver

Category G - Automatic licensing upon entry into force of the F.T.A. Agreement

Category AP - Agricultural policy

Category ST - State trading

Category K - Kashrut

Q R - Quantitative restrictions

EXPLANATIONS TO THE LIST

Category A - Imports originating in the U.S.A. will be exempted from licensing requirement upon entry into force of the F.T.A. Agreement.

Category B - Imports originating in the U.S.A. will be subject to automatic licensing during the staging period. These imports will be exempted from licensing requirement on the day in which they will be exempted from customs duties.

Category C - National security requirement and control drug traffic

Category D - To assure collection of levies

Category E - To assure conformity with: standards, health, phytosanitary and labelling requirements and end uses

Category F - Imports of gold and silver

Category G - Automatic licensing upon entry into force of the F.T.A. Agreement

Category AP - Agricultural policy

Category ST - State trading

Category K - Kashrut

Q R - Quantitative restrictions

EXPLANATIONS TO THE LIST

Category A - Imports originating in the U.S.A. will be exempted from licensing requirement upon entry into force of the F.T.A. Agreement.

Category B - Imports originating in the U.S.A. will be subject to automatic licensing during the staging period. These imports will be exempted from licensing requirement on the day in which they will be exempted from customs duties.

Category C - National security requirement and control drug traffic

Category D - To assure collection of levies

Category E - To assure conformity with: standards, health, phytosanitary and labelling requirements and end uses

Category F - Imports of gold and silver

Category G - Automatic licensing upon entry into force of the F.T.A. Agreement

Category AP - Agricultural policy

Category ST - State trading

Category K - Kashrut

Q R - Quantitative restrictions

EXPLANATIONS TO THE LIST

Category A - Imports originating in the U.S.A. will be exempted from licensing requirement upon entry into force of the F.T.A. Agreement.

Category B - Imports originating in the U.S.A. will be subject to automatic licensing during the staging period. These imports will be exempted from licensing requirement on the day in which they will be exempted from customs duties.

Category C - National security requirement and control drug traffic

Category D - To assure collection of levies

Category E - To assure conformity with: standards, health, phytosanitary and labelling requirements and end uses

Category F - Imports of gold and silver

Category G - Automatic licensing upon entry into force of the F.T.A. Agreement

Category AP - Agricultural policy

Category SI - State trading

Category K - Kashrut

Q R - Quantitative restrictions

EXPLANATIONS TO THE LIST

Category A - Imports originating in the U.S.A. will be exempted from licensing requirement upon entry into force of the F.T.A. Agreement.

Category B - Imports originating in the U.S.A. will be subject to automatic licensing during the staging period. These imports will be exempted from licensing requirement on the day in which they will be exempted from customs duties.

Category C - National security requirement and control drug traffic

Category D - To assure collection of levies

Category E - To assure conformity with: standards, health, phytosanitary and labelling requirements and end uses

Category F - Imports of gold and silver

Category G - Automatic licensing upon entry into force of the F.T.A. Agreement

Category AP - Agricultural policy

Category SI - State trading

Category K - Kashrut

Q R - Quantitative restrictions

EXPLANATIONS TO THE LIST

Category A - Imports originating in the U.S.A. will be exempted from licensing requirement upon entry into force of the F.T.A. Agreement.

Category B - Imports originating in the U.S.A. will be subject to automatic licensing during the staging period. These imports will be exempted from licensing requirement on the day in which they will be exempted from customs duties.

Category C - National security requirement and control drug traffic

Category D - To assure collection of levies

Category E - To assure conformity with: standards, health, phytosanitary and labelling requirements and end uses

Category F - Imports of gold and silver

Category G - Automatic licensing upon entry into force of the F.T.A. Agreement

Category AP - Agricultural policy

Category ST - State trading

Category K - Kashrut

Q R - Quantitative restrictions

EXPLANATIONS TO THE LIST

Category A - Imports originating in the U.S.A. will be exempted from licensing requirement upon entry into force of the F.T.A. Agreement.

Category B - Imports originating in the U.S.A. will be subject to automatic licensing during the staging period. These imports will be exempted from licensing requirement on the day in which they will be exempted from customs duties.

Category C - National security requirement and control drug traffic

Category D - To assure collection of levies

Category E - To assure conformity with: standards, health, phytosanitary and labelling requirements and end uses

Category F - Imports of gold and silver

Category G - Automatic licensing upon entry into force of the F.T.A. Agreement

Category AP - Agricultural policy

Category SI - State trading

Category K - Kashrut

Q R - Quantitative restrictions

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