



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 04.11.2003
COM(2003) 619 final

2003/0240 (ACC)

Proposal for a

COUNCIL DECISION

**on the conclusion of an Agreement in the form of an Exchange of Letters
between the European Community and the State of Israel concerning reciprocal
liberalisation measures and the replacement of Protocols Nos 1 and 2
to the EC-Israel Association Agreement**

(presented by the Commission)

EXPLANATORY MEMORANDUM

1. Article 11 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 ("Association Agreement") in force since 1 June 2000, states that the Community and Israel shall progressively establish a greater liberalisation of their trade in agricultural products of interest to both Parties. It provides that, from 1 January 2000, the Community and Israel shall examine the situation in order to determine the measures to be applied by the Community and Israel from 1 January 2001, in accordance with the objective of greater trade liberalisation in agriculture.
2. The Council has authorised the Commission to start negotiations with the State of Israel, with the view to reach the objective of greater liberalisation in agriculture, in conformity with the spirit of the Association Agreement and of the Barcelona Process.
3. Further to negotiations held between the Parties, they agreed to replace the Protocols Nos 1 and 2 to the Association Agreement, with the view to allow greater liberalisation in trade of agricultural products.
4. The objective of this proposal is to ask the Council to approve the replacement of the Protocols Nos 1 and 2 by means of an Agreement in the form of an Exchange of Letters.

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liberalisation measures and the replacement of Protocols Nos 1 and 2
to the EC-Israel Association Agreement**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 133, in conjunction with the first sentence of Article 300(2), thereof

Having regard to the proposal from the Commission¹,

Whereas:

- (1) Article 11 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 part² ("Association Agreement") in force since 1 June 2000, states that the Community and Israel shall progressively establish a greater liberalisation of their trade in agricultural products of interest to both Parties. It provides that, from 1 January 2000, the Community and Israel shall examine the situation in order to determine the measures to be applied by the Community and Israel from 1 January 2001, in accordance with the objective of greater trade liberalisation in agriculture.
- (2) The Commission has negotiated on behalf of the Community an Agreement in the form of an Exchange of Letters with a view of replacing Protocols Nos 1 and 2 to the Association Agreement.
- (3) The Agreement initialled on dd.mm.2003 should be approved.
- (4) The measures necessary for the implementation of this Decision should be adopted in accordance with Council Decision 1999/468/EC of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred on the Commission³,

HAS DECIDED AS FOLLOWS:

¹ OJ C [...], [...], p. [...]
² OJ L 147, 21.6.2000, p. 3.
³ OJ L 184, 17.7.1999, p. 23.

Article 1

The Agreement in the form of an Exchange of Letters between the European Community and the State of Israel concerning reciprocal liberalisation measures and the replacement of Protocols Nos 1 and 2 to the EC-Israel Association Agreement is hereby approved on behalf of the Community.

The text of the Agreement is attached to this Decision.

Article 2

The Commission shall adopt the necessary implementation measures for Protocols Nos 1 and 2 in accordance with the procedure laid down in Article 3.

Article 3

- 1 The Commission shall be assisted by the Management Committee for Sugar established by Article 42 of Council Regulation (EC) No 1260/2001 of 19 June 2001 on the common organisation of the market in sugar⁴, modified by Commission Regulation (EC) No 680/2002 of 19 April 2002⁵ or, where appropriate, by the committees established by the corresponding provisions of other regulations on the common organisation of markets or by the Customs Code Committee established by Article 248a of Regulation (EEC) No 2913/92 of 12 October 1992 establishing the Community Customs Code⁶.
2. Where reference is made to this paragraph, Article 4 and 7 of Decision 1999/468/EC shall apply.

The period laid down in Article 4(3) of Decision 1999/468/EC shall be set at one month.
3. The Committee shall adopt its rules of procedure.

Article 4

The President of the Council is hereby authorised to designate the person empowered to sign the Agreement so as to bind the Community.

⁴ OJ L 178, 30.6.2001, p. 1.

⁵ OJ L 104, 20.4.2002, p. 26.

⁶ OJ L 302, 19.10.1992, p. 1. Regulation as last amended by Regulation (EC) No 2700/2000 (OJ L 311, 12.12.2000, p. 17).

Article 5

This Decision is published in the *Official Journal of the European Union*.

Done at Brussels,

*For the Council
The President*

AGREEMENT

in the form of an Exchange of Letters between the European Community and the State of Israel concerning reciprocal liberalisation measures and the replacement of the Protocols Nos 1 and 2 of the EC-Israel Association Agreement

Letter No 1

Letter from the European Community

Brussels, 2003

Sir,

I have the honour of referring to the negotiations which took place under Article 11 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 ("Association Agreement"), in force since 1 June 2000, which states that the Community and the State of Israel shall progressively establish greater liberalisation of their trade in agricultural products of interest to both parties.

These negotiations were held in accordance with the provisions of Article 11, which stipulates that, from 1 January 2000, the Community and Israel shall examine the situation in order to determine the measures to be applied by the Community and Israel from 1 January 2001 in accordance with the objective of progressive greater liberalisation in agriculture.

On the conclusion of the negotiations the two Parties agreed to the following:

1. Protocols Nos 1 and 2 of the Association Agreement and their annexes are replaced by the Protocols Nos 1 and 2 and their annexes, listed in Annex I and II to this Exchange of Letters.
2. The Exchange of Letters between the European Community ("the Community") and Israel relating to Protocol 1 and concerning imports into the Community of fresh cut flowers and flower buds falling within subheading 0603 10 of the Common Customs Tariff is hereby repealed.
3. The Joint declaration on live plants and floriculture and horticulture products, appearing in Annex III to this Exchange of Letters, is inserted in the Association Agreement.
4. With regard to edible oils falling within HS heading 1507, 1512 and 1514, Israel will start the necessary internal legislative procedures in order to extend the Community's preferences to the percentage which will be decided by the Knesset as a result of its ongoing discussions.
5. From 1 January 2007 the Community and the State of Israel will assess the situation with a view to determining the liberalisation measures to be applied by the Community and the State of Israel from 1 January 2008, in accordance with the objective laid down in Article 11 of the Association Agreement.

The provisions of this Agreement shall be applicable from

I would be grateful if you could confirm the agreement of your government to the above.

Please accept, Sir, the assurance of my highest consideration.

On behalf of the Council of the European Union

Letter No 2

Letter from the State of Israel

Brussels, 2003

Sir,

I have the honour to acknowledge receipt of your letter of today's date, worded as follows:

"Sir,

I have the honour of referring to the negotiations which took place under Article 11 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 ("Association Agreement"), in force since 1 June 2000, which states that the Community and the State of Israel shall progressively establish greater liberalisation of their trade in agricultural products of interest to both parties.

These negotiations were held in accordance with the provisions of Article 11, which stipulates that, from 1 January 2000, the Community and Israel shall examine the situation in order to determine the measures to be applied by the Community and Israel from 1 January 2001 in accordance with the objective of progressive greater liberalisation in agriculture.

On the conclusion of the negotiations the two Parties agreed to the following:

1. Protocols Nos 1 and 2 of the Association Agreement and their annexes are replaced by the Protocols Nos 1 and 2 and their annexes, listed in Annex I and II to this Exchange of Letters.
2. The Exchange of Letters between the European Community ("the Community") and Israel relating to Protocol 1 and concerning imports into the Community of fresh cut flowers and flower buds falling within subheading 0603 10 of the Common Customs Tariff is hereby repealed.
3. The Joint declaration on live plants and floriculture and horticulture products, appearing in Annex III to this Exchange of Letters, is inserted in the Association Agreement.
4. With regard to edible oils falling within HS heading 1507, 1512 and 1514, Israel will start the necessary internal legislative procedures in order to extend the Community's preferences to the percentage which will be decided by the Knesset as a result of its ongoing discussions.
5. From 1 January 2007 the Community and the State of Israel will assess the situation with a view to determining the liberalisation measures to be applied by the Community and the State of Israel from 1 January 2008, in accordance with the objective laid down in Article 11 of the Association Agreement.

The provisions of this Agreement shall be applicable from

I would be grateful if you could confirm the agreement of your government to the above."

The State of Israel has the honour of confirming its agreement with the contents of this letter.

Please accept, Sir, the assurance of my highest consideration.

For the government of the State of Israel

ANNEX I

Protocol No 1

CONCERNING THE ARRANGEMENTS APPLICABLE TO IMPORTS INTO THE COMMUNITY OF AGRICULTURAL PRODUCTS ORIGINATING IN ISRAEL

1. The products listed in the Annex, originating in Israel shall be admitted for importation into the Community, according to the conditions contained hereafter and in the Annex.
2.
 - (a) Customs duties are eliminated or reduced as indicated in column "a".
 - (b) For certain products, for which the Common Customs Tariff foresees the application of an ad valorem duty and a specific duty, the rates of reduction, indicated in columns "a" and "c", only apply to the ad valorem duty. However, for the products corresponding to the codes 0207, 0404 10, 0709 90 60, 2204 21 and 2209, the duty reductions also apply to the specific duty.
 - (c) For certain products, customs duties are eliminated within the limit of the tariff quotas listed in column "b" for each of them.
 - (d) For the quantities imported in excess of the quotas, the common customs duties are, according to the product concerned, applied in full or reduced, as indicated in column "c".
3. For certain products, the exemption of customs duties is granted in the framework of reference quantities as indicated in column "d".

Should the volume of imports of one of these products exceed the reference quantity, the Community, having regard to an annual review of trade flows which it shall carry out, may make the product in question subject to a Community tariff quota, the volume of which shall be equal to the reference quantity. In that case, for quantities imported in excess of the quota, the common customs duty is, according to the product concerned, applied in full or reduced as indicated in column "c".
4. As indicated in column "e", for some products, for which neither a quota nor a reference quantity is fixed, the Community may fix a reference quantity as provided for in point 3 if, in the light of the annual review of trade flows which it shall carry out, it establishes that the volume of imports of a product or products threatens to cause difficulties on the Community market. If subsequently, the product is subject to a tariff quota under the conditions set out in point 3, for quantities imported in excess of the quota, the customs duty is, according to the product concerned, applied in full or reduced, as indicated in column "c".
5. For the first year of application, the volumes of the tariff quotas and the reference quantities shall be calculated as a pro rata of the basic volumes, taking into account the part of the period elapsed before the date of entry into force of this agreement.
6. For all the products listed in the Annex, the tariff quota and references quantity volumes are increased from 1 January 2004 to 1 January 2007, on the basis of four equal instalments, each corresponding to 3% of these volumes.

ANNEX TO PROTOCOL No 1

		a	b	c	d	e
CN Code (1)	Description (2)	Reduction of the MFN customs duty (3) %	Tariff quota (t)	Reduction of the MFN customs duty beyond current or possible tariff quota (3) %	Reference quantity (t)	Specific provisions
0207 25 0207 27 10 0207 27 30/ 40/50/60/70	Turkeys, not cut in pieces, frozen Boneless turkeys cuts, frozen Turkeys cuts with bone in, frozen	100	1 400	0		
ex 0207 32	Meat of ducks and geese, not cut in pieces, fresh or chilled	100	500	0		
ex 0207 33	Meat of ducks and geese, not cut in pieces, frozen					
ex 0207 35	Other meat and edible offal of ducks and geese, fresh or chilled					
ex 0207 36	Other meat and edible offal of ducks and geese, frozen					
0207 34 10	Fatty livers of geese, fresh or chilled	100	-	0		
0404 10	Whey and modified whey, whether or not concentrated or containing added sugar or other sweetening matter	100	800	0		
0601 0602	Bulbs and the like and other live plants	100	-	0		subject to the provisions of Protocol 1, point 4
0603 10	Cut flowers and flower buds, fresh	100	19 500	0		
0603 10 80	Other fresh cut flowers and buds from 1 November to 15 April	100	7 000	0		
0603 90 00	Cut flowers and flower buds, dried, dyed, bleached, impregnated or otherwise prepared	100	100	0		
ex 0604 10 90	Mosses and lichens other than reindeer moss, fresh	100	-	0		subject to the provisions of Protocol 1, point 4
0604 91	Foliage, branches and other parts of plants, without flowers or flower buds, and grasses, fresh					
0604 99 10	Foliage, branches and other parts of plants, without flowers or flower buds, and grasses, not further prepared than dried					
ex 0701 90 50	New potatoes, from 1 January to 31 March, fresh or chilled	100	30 000	0		

		a	b	c	d	e
CN Code (1)	Description (2)	Reduction of the MFN customs duty (3) %	Tariff quota (t)	Reduction of the MFN customs duty beyond current or possible tariff quota (3) %	Reference quantity (t)	Specific provisions
0702 00 00	Tomatoes, fresh or chilled	100	9 000 for cherry tomatoes (*) + 1 000 for others	0		
0703 90 00	Leeks and other alliaceous vegetables, fresh or chilled	100	1 500	0		
0703 10 11	Onions sets, fresh or chilled, from 15 February to 15 May	100	1 500	0		
0703 10 19	Other onions, fresh or chilled, from 15 February to 15 May					
ex 0709 90 90	Wild onions (Muscari comosum), fresh or chilled, from 15 February to 15 May					
ex 0704 90 90	Chinese cabbage, fresh or chilled, from 1 November to 31 March	100	1 250	0		
0705 11 00	Cabbage lettuce (head lettuce), fresh or chilled, from 1 November to 31 March	100	336	0		
ex 0706 10 00	Carrots, fresh or chilled, from 1 January to 30 April	100	6 832	40		
0706 90 90	Fresh or chilled salad beetroot, salsify, radishes and similar edible roots	100	2 000	0		
0709 30 00	Aubergines (eggplants), fresh or chilled, from 1 December to 30 April	100	-	60	1 440	
ex 0709 40 00	Stick celery (Apium graveolens, var. dulce), fresh or chilled, from 1 January to 30 April	100	13 000	50		
0709 60 10	Fresh or chilled sweet peppers	100	15 000	40		
ex 0709 90 60	Sweet corn, fresh	100	1 500	0		
0709 90 70	Courgettes, fresh or chilled, from 1 December to end February	100	-	60		subject to the provisions of Protocol 1, point 4
ex 0709 90 90	Other fresh or chilled vegetables, other than wild onions (Muscari comosum)	100	2 000	0		

		a	b	c	d	e
CN Code (1)	Description (2)	Reduction of the MFN customs duty (3) %	Tariff quota (t)	Reduction of the MFN customs duty beyond current or possible tariff quota (3) %	Reference quantity (t)	Specific provisions
ex 0710 80 59	Fruits of the genus Capsicum, from 15 November to 30 April	100	-	30		subject to the provisions of Protocol 1, point 4
0711 90 50	Onions provisionally preserved but insuitable for immediate consumption	100	300	0		
0712 90 30	Dried tomatoes, whole, cut, sliced, broken or in powder, but not further prepared	100	700	0		
2002 90 91	Tomato powder with a dry matter content of more than 30% by weight, prepared or preserved otherwise than by vinegar or acetic acid					
2002 90 99						
0712 90 50	Dried carrots, whole, cut, sliced, broken, or in powder, but not further prepared	100	100	0		
0712 90 90	Other dried vegetables and mixtures of vegetables, whole, cut, sliced, broken or in powder, but not further prepared					
0910 40 19	Crushed or ground thyme					
0910 40 90	Bay leaves					
0910 91 90	Crushed or ground mixtures of different types of spices					
0910 99 99	Other crushed or ground spices					
0804 10 00	Dates, fresh or dried	100	-	0		subject to the provisions of Protocol 1, point 4
0804 40 00	Avocados, fresh or dried	100	-	80	37 200	
0804 50 00	Guavas, mangoes and mangosteens, fresh or dried	100	-	40		subject to the provisions of Protocol 1, point 4
ex 0805 10	Oranges, fresh	100	200 000 (**)	60		
ex 0805 20	Mandarins (including tangerines and satsumas), clementines, wilkings and similar citrus hybrids, fresh	100	21 000	60		

		a	b	c	d	e
CN Code (1)	Description (2)	Reduction of the MFN customs duty (3) %	Tariff quota (t)	Reduction of the MFN customs duty beyond current or possible tariff quota (3) %	Reference quantity (t)	Specific provisions
ex 0805 20	Mandarins (including tangerines and satsumas), clementines, wilkings and similar citrus hybrids, fresh from 15 March to 30 September	100	14 000	60		
ex 0805 40 00	Grapefruit, fresh	100	-	80		subject to the provisions of Protocol 1, point 4
ex 0805 50 10	Lemons, fresh	100	7 700	40		
ex 0805 50 90	Limes, fresh	100	1 000	0		
ex 0805 90 00	Kumquats	100	-	0		subject to the provisions of Protocol 1, point 4
0806 10 10	Table grapes, fresh from 15 May to 20 July	100	-	0		
0807 11 00	Watermelons, fresh from 1 April to 15 June	100	9 400	50		
0807 19 00	Other fresh melons, from 15 September to 31 May	100	11 400	50		
0810 10 00	Strawberries fresh, from 1 November to 31 March	100	2 600	60		
0810 50 00	Kiwi fruit, fresh, from 1 January to 30 April	100	-	0	240	
0810 90 95	Other fresh fruits	100	500	0		
ex 0810 90 95	Pomegranates, fresh Persimmons, fresh, from 1 November to 31 July	100	-	0		subject to the provisions of Protocol 1, point 4
ex 0811 90 19 ex 0811 90 39	Grapefruit segments, frozen	80	-	0		
ex 0811 90 95	Dates frozen	100	-	0		subject to the provisions of Protocol 1, point 4
ex 0811 90 95	Grapefruit segments, frozen	100	-	80		subject to the provisions of Protocol 1, point 4

		a	b	c	d	e
CN Code (1)	Description (2)	Reduction of the MFN customs duty (3) %	Tariff quota (t)	Reduction of the MFN customs duty beyond current or possible tariff quota (3) %	Reference quantity (t)	Specific provisions
ex 0812 90 20	Oranges, comminuted, provisionally preserved	100	10 000	80		
ex 0812 90 99	Other citrus fruits, comminuted provisionally preserved	100	-	80	1 320	
0904 12 00	Pepper, crushed or ground	100	-	30		subject to the provisions of Protocol 1, point 4
0904 20 10	Sweet peppers, neither crushed nor ground	100	-	0		subject to the provisions of Protocol 1, point 4
0904 20 30	Other fruits of the genus Capsicum or of the genus Pimenta, neither crushed nor ground, from 15 November to 30 April	100	-	30		subject to the provisions of Protocol 1, point 4
0904 20 90	Fruits of the genus Capsicum or of the genus Pimenta, crushed or ground					
0910 40 13	Thyme, neither crushed nor ground (excl. wild thyme)	100	200	0		
1302 20	Pectic substances, pectinates and pectates	100		25		subject to the provisions of Protocol 1, point 4
1602 31	Prepared or preserved meat or meat offal of turkeys	100	2 250	0		
2001 10 00	Cucumbers and gherkins prepared or preserved by vinegar or acetic acid	100	200	0		
2001 90 20	Fruits of the genus Capsicum other than sweet peppers or pimentos, from 15 November to 30 April	100	-	30		subject to the provisions of Protocol 1, point 4
ex 2001 90 93 ex 2001 90 96	Little onions having an equatorial diameter of less than 30 mm and okras, prepared or preserved by vinegar or acetic acid	100	-	0		subject to the provisions of Protocol 1, point 4
2002 10 10	Peeled tomatoes, prepared or preserved otherwise than by vinegar or acetic acid	100	3 500	30		

		a	b	c	d	e
CN Code (1)	Description (2)	Reduction of the MFN customs duty (3) %	Tariff quota (t)	Reduction of the MFN customs duty beyond current or possible tariff quota (3) %	Reference quantity (t)	Specific provisions
ex 2004 90 98	Celeriac, other than in mixture, prepared or preserved otherwise than by vinegar or acetic acid, frozen	100	-	30		subject to the provisions of Protocol 1, point 4
ex 2004 90 98	Carrots prepared or preserved otherwise than by vinegar or acetic acid, frozen, other than products of heading 2006	100	2 000	0		
ex 0710 80 95	Carrots, uncooked or cooked by steaming or boiling in water, frozen					
ex 2005 10 00 ex 2005 90 80	Celeriac, cabbages (excl. cauliflowers), gumbos, okras, other than in mixture	100	-	30		subject to the provisions of Protocol 1, point 4
2005 90 10	Fruits of the genus Capsicum other than sweet peppers or pimentos, from 15 November to 30 April	100	-	30		subject to the provisions of Protocol 1, point 4
2005 90 80	Other vegetables, prepared or preserved otherwise than by vinegar or acetic acid, not frozen	100	1 300	0		
2008 11 92 2008 11 94	Groundnuts, in immediate packings of a net content exceeding 1 kg	100	-	0		subject to the provisions of Protocol 1, point 4
2008 30 51 2008 30 71	Grapefruit segments	100	-	80	16 440	
ex 2008 30 55 ex 2008 30 59	Mandarins (incl. tangerines and satsumas), clementines, wilkings and other similar citrus hybrids, comminuted Comminuted oranges and lemons Grapefruit, other than segments	100	-	80		subject to the provisions of Protocol 1, point 4
ex 2008 30 59	Orange, segments	100	1 000	0		
ex 2008 30 59	Oranges, other than segments and other than comminuted	100	1 000	0		
ex 2008 30 75	Mandarins (incl. tangerines and satsumas), clementines, wilkings and other similar citrus hybrids, comminuted	100	-	80		subject to the provisions of Protocol 1, point 4

		a	b	c	d	e
CN Code (1)	Description (2)	Reduction of the MFN customs duty (3) %	Tariff quota (t)	Reduction of the MFN customs duty beyond current or possible tariff quota (3) %	Reference quantity (t)	Specific provisions
ex 2008 30 79	Grapefruit, other than segments	100		80	2 400	
ex 2008 30 79	Comminuted oranges and lemons	100	-	80		
ex 2008 30 90	Grapefruit, Citrus fruit pulp Comminuted citrus fruits	100	-	80	8 480	
ex 2008 40 71	Slices of pears, fried in oil	100	100	0		
ex 2008 50 71	Slices of apricots, fried in oil					
ex 2008 70 71	Slices of peaches, fried in oil					
ex 2008 92 74	Mixtures of sliced fruits, fried in oil					
ex 2008 92 78	Mixtures of sliced fruits, fried in oil					
ex 2008 99 68	Slices of apples, fried in oil					
2008 50 61 2008 50 69	Prepared or preserved apricots, not containing added spirit, containing added sugar	100	-	20		subject to the provisions of Protocol 1, point 4
ex 2008 50 92 ex 2008 50 94	Prepared or preserved apricot halves, not containing added spirit, not containing added sugar, in immediate packings of 4,5 kg or more	100	-	20		subject to the provisions of Protocol 1, point 4
ex 2008 50 92 ex 2008 50 94	Apricot pulp, not containing added spirit, not containing added sugar, in immediate packings of 4,5 kg or more	100	180	0		
2008 92 51 2008 92 59 2008 92 72 2008 92 74 2008 92 76 2008 92 78	Mixtures of fruits, not containing added spirit, containing added sugar	100	250	0		
2009 11 11 2009 11 19 2009 11 91 2009 11 99 2009 12 00 2009 19 11 2009 19 19 2009 19 91 2009 19 98	Orange juice	100	46 000 of which, in packs of 2 l or less not more than 19 000	70		

		a	b	c	d	e
CN Code (1)	Description (2)	Reduction of the MFN customs duty (3) %	Tariff quota (t)	Reduction of the MFN customs duty beyond current or possible tariff quota (3) %	Reference quantity (t)	Specific provisions
2009 21 00 2009 29 11 2009 29 19 2009 29 99	Grapefruit juice	100	-	70	34 440	
2009 29 91	Grapefruit juice	70	-			
2009 39 11	Juice of any other single citrus fruit, of a Brix value exceeding 67, of a value not exceeding € 30 per 100 kg net weight	100	-	60		subject to the provisions of Protocol 1, point 4
ex 2009 31 11 ex 2009 31 19 ex 2009 39 31 ex 2009 39 39	Juice of any other single citrus fruit of a Brix value not exceeding 67, of a value exceeding € 30 per 100 kg net weight, excluding lemon juice	100	-	60		subject to the provisions of Protocol 1, point 4
2009 39 19	Other juice of any other single citrus fruit of a Brix value exceeding 67, of a value exceeding € 30 per 100 kg net weight	60	-			
2009 50	Tomato juice	100	10 200	60		
2009 61 2009 69	Grape juice, including grape must	100	2 000	0		
ex 2009 90	Mixtures of citrus fruit juices with tropical juices of a Brix value not exceeding 67, of a value exceeding € 30 per 100 kg net weight, not containing added sugar Mixtures of citrus fruit juices of a Brix value not exceeding 67, of a value exceeding € 30 per 100 kg net weight, not containing added sugar	100	1 500	0		
ex 2009 80 97	Juice of guavas, of a Brix value not exceeding 67, not containing added sugar	100	100	0		
ex 2009 80 99	Prickle pear juice not containing added sugar	100	100	0		
ex 2204 21	Wine of fresh grapes including fortified wines in containers holding 2 litres or less	100	3 610 hl	0		for 3 610 hl, 100% reduction of the specific duty
2209 00 11 2209 00 19	Wine vinegar	100	-			

- (1) CN codes corresponding to Regulation (EC) No 1832/2002, OJ No L 290 of 28 October 2002.
 - (2) Notwithstanding the rules for the interpretation of the combined nomenclature, the wording for the description of the products is to be considered as having no more than an indicative value, the preferential scheme being determined, within the context of this Annex, by the coverage of the CN codes. Where "ex" CN codes are indicated, the preferential scheme is to be determined by the application of the CN codes and corresponding description taken together.
 - (3) Duty reduction only applies to "ad valorem" customs duties except for the products corresponding to the following codes: 0207, 0404 10, 0709 90 60, 2204 21 and 2209.
- * Entry under under this subheading is subject to the conditions laid down in the relevant Community provisions (Regulation (EC) No 790/2000 of 14 April 2000, OJ No L 95, 15.4.2000, and subsequent amendments.
- ** Within this tariff quota, the specific duty provided in the Community's list of concessions to the WTO is reduced to zero, for the period from 1 December to 31 May, if the entry price is not less than € 264/tonne, being the entry price agreed between the European Community and Israel. If the entry price for a consignment is 2, 4, 6 or 8% lower than the agreed entry price, the specific customs quota duty shall be equal respectively to 2, 4, 6 or 8% of this agreed entry price. If the entry price of a consignment is less than 92% of the agreed entry price, the specific customs duty bound within the WTO shall apply.

ANNEX II

Protocol No 2

CONCERNING THE ARRANGEMENTS APPLICABLE TO IMPORTS INTO ISRAEL OF AGRICULTURAL PRODUCTS ORIGINATING IN THE COMMUNITY

1. The products listed the Annex originating in the Community shall be admitted for importation into Israel according to the conditions contained herein and in the Annex.
2. Import duties on imports are either eliminated or reduced to the level indicated in column "a", within the limit of the tariff quota listed in column "b", and subject to the specific provisions indicated in column "e".
3. For the quantities imported in excess of the tariff quotas, the customs duties are, according to the product concerned, applied in full or reduced, as indicated in column "c".
4. For certain products for which no tariff quota is fixed, reference quantities are fixed as indicated in column "d".

Should the volume of imports of one of the products exceed the reference quantity, Israel, having regard to an annual review of trade flows which it shall carry out, may make the product in question subject to a tariff quota, the volume of which shall be equal to the reference quantity. In that case, for quantities imported in excess of the quota, the duty referred to in point 3 shall apply.

5. For products for which neither a tariff quota nor a reference quantity is fixed, Israel may fix a reference quantity as provided for in point 4 if, in the light of the annual review of trade flows which it shall carry out, it establishes that the volume of imports of a product or products threatens to cause difficulties on the Israeli market. If subsequently, the product is subjected to a tariff quota under the conditions set out in point 4, the provisions of point 3 shall apply.
6. For the first year of application, the volumes of the tariff quotas and the reference quantities shall be calculated as a pro rata of the basic volumes, taking into account the part of the period elapsed before the date of entry into force of this agreement.
7. For all the products listed in the Annex, the tariff quota and references quantity volumes are increased from 1 January 2004 to 1 January 2007, on the basis of four equal instalments, each corresponding to 3% of these volumes.

ANNEX TO PROTOCOL No 2

		a	b	c	d	e
HS or Israeli Code	Description (1)	Reduction of the MFN customs duty (%)	Tariff quota (t, unless otherwise indicated)	Reduction of the MFN customs duty beyond current or possible tariff quota (%)	Reference quantity (t)	Specific provisions
ex 0105	Live poultry, that is to say, fowls of the species Gallus domesticus, ducks, geese, turkeys, and guinea fowls, weighing not more than 185g	100	500 000 pieces	0		
0102	Live bovine animals	100	3 000 heads	0		
0201	Meat of bovine animals, fresh or chilled	100	1 000	0		
0202 30	Meat of bovine animals, boneless, frozen	100	6 000	0		
0206 29	Other edible offal of bovine animals, frozen	100	500	0		
0402 10	Milk and cream in powder, granules or other solid form, of a fat content, by weight, not exceeding 1,5%	100	1 500	55% within an additional tariff quota of 1 500 t		
0402 21	Milk and cream in powder, granules or other solid form, of a fat content, by weight, exceeding 1,5%, not containing added sugar or other sweetening matter	100	3 500	0		
0404	Whey, whether or not concentrated or containing added sugar or other sweetening matter; products consisting of natural milk constituents, whether or not containing added sugar or other sweetening matter, not elsewhere specified or included	100	800	0		
0405 00	Butter and other fats and oils derived from milk; dairy spreads	100	350	0		
0406	Cheese and curd	100	500	0		
0407 00	Bird's eggs, in shell, fresh, preserved or cooked	100	40 000 pieces	0		
0603 90 00	Dried, dyed, bleached, impregnated or otherwise prepared cut flowers and flower buds	100	50	0		
ex 0604 10 0604 91 ex 0604 99	Mosses and lichens, fresh Foliage, branches and other parts of plants and grasses, fresh Foliage, not further prepared than dried	100	-	0		subject to the provisions of Protocol 2, point 5
0701 10 00	Potatoes, seed, fresh or chilled	100	17 000	0		

		a	b	c	d	e
HS or Israeli Code	Description (1)	Reduction of the MFN customs duty (%)	Tariff quota (t, unless otherwise indicated)	Reduction of the MFN customs duty beyond current or possible tariff quota (%)	Reference quantity (t)	Specific provisions
0603 10	Cut flowers and flower buds, fresh	100	-	0	1 000	
0701 90	Other potatoes, fresh or chilled	100	2 500	0		
0703 10	Onions and shallots, fresh or chilled	100	2 000	0		
0703 20 00	Garlic, fresh or chilled	100	200	25%		
0710 21 00	Shelled or unshelled peas (<i>Pisum sativum</i>), uncooked or cooked by steaming or boiling in water, frozen	100	700	0		
0710 22 00	Shelled or unshelled beans (<i>Vigna</i> spp., <i>Phaseolus</i> spp.), uncooked or cooked by steaming or boiling in water, frozen	100	400	0		
0710 29 00	Other leguminous vegetables, shelled or unshelled, uncooked or cooked by steaming or boiling in water, frozen	100	350	0		
0710 30 00	Spinach, New Zealand spinach and orache spinach (garden spinach), uncooked or cooked by steaming or by boiling in water, frozen	100	300	0		
0710 80	Other vegetables, (uncooked or cooked by steaming or boiling in water), frozen	100	500	0		
0710 90 00	Mixtures of vegetables, uncooked or cooked by steaming or boiling in water, frozen					
ex 0712 90	Other vegetables and mixtures of vegetables, dried, whole, cut, sliced, broken or in powder, but not further prepared, other than garlic	100	300	0		

		a	b	c	d	e
HS or Israeli Code	Description (1)	Reduction of the MFN customs duty (%)	Tariff quota (t, unless otherwise indicated)	Reduction of the MFN customs duty beyond current or possible tariff quota (%)	Reference quantity (t)	Specific provisions
0712 90 81	Garlic, dried, whole, cut, sliced, broken or in powder, but not further prepared	100	50	0		
0713 33	Kidney beans, including white pea beans, dried	100	100	0		
0713 39 00	Other beans, dried	100	150	0		
0713 50 00	Broad beans (<i>Vicia faba</i> var. major) and horse beans (<i>Vicia faba</i> var. equina, <i>Vicia faba</i> var. minor), dried	100	2 500	0		
0713 90	Other dried leguminous vegetables	100	100	15%		
0802 50 00	Fresh or dried pistachios, whether or not shelled or peeled	100	250	0		
0802 90	Other nuts, fresh or dried, whether or not shelled or peeled	100	500	15%		
ex 0804 20	Figs, dried	100	500	20%		
0806 20	Grapes, dried	100	100	25%		
0808 10	Apples, fresh	100	2 000	0		
ex 0808 20	Pears, fresh	100	1 100	0		
ex 0808 20	Quinces, fresh	100	200	0		
0811 90	Other fruit and nuts, uncooked or cooked by steaming or boiling in water, frozen, whether or not containing added sugar, or other sweetening matter	100	350	0		
0812 10 00	Cherries, provisionally preserved, but unsuitable in that state for immediate consumption	100	500	0		
0813 20 00	Dried prunes	100	150	0		
1001 10	Durum wheat	100	9 500	0		
1001 90	Other wheat and meslin	100	150 000	0		
1002 00 00	Rye	100	10 000	0		
1003 00	Barley	100	210 000	0		
1005 90 00	Maize other than seed	100	11 000	0		
1006 30	Semi-milled or wholly milled rice, whether or not polished or glazed	100	25 000	0		

		a	b	c	d	e
HS or Israeli Code	Description (1)	Reduction of the MFN customs duty (%)	Tariff quota (t, unless otherwise indicated)	Reduction of the MFN customs duty beyond current or possible tariff quota (%)	Reference quantity (t)	Specific provisions
1103 13	Groats and meal of maize (corn)	100	235 000	0		
ex 1103 20	Pellets of other cereals than rye, barley, oats, maize, rice and wheat	100	7 500	0		
1104 12	Rolled or flaked oat grains	34	-	0		subject to the provisions of Protocol 2, point 5
1107 10	Malt, not roasted	100	7 500	0		
1108	Starches, inulin	25	-	0		
1208 10	Flour and meal of soya beans	100	400	0		
1209 91	Vegetable seeds	100	500	0		
1209 99	Other seeds	100	500	0		
1214 10	Lucerne (alfalfa) meal and pellets	100	1 500	0		
1404 20	Cotton linters	100	1 000	0		
ex 1507	Soya bean crude oil, whether or not degummed	40 for edible oils	-	0		
ex 1512	Sunflower-seed, safflower or cotton-seed oil and fractions thereof, whether or not refined, but not chemically modified	40 for edible oils	-	0		
ex 1514	Rape, colza or mustard oil and fractions thereof, whether or not refined, but not chemically modified	40 for edible oils	-	0		
1515	Other fixed vegetable fats and oils (including jojoba oil) and their fractions, whether or not refined, but not chemically modified	100 for edible oils	-	0		
1602 50	Prepared or preserved meat or meat offal of bovine animals	100	300	0		
ex 1604 13 ex 1604 14	Sardines, in airtight container Tuna, in airtight container	100	300	0		

		a	b	c	d	e
HS or Israeli Code	Description (1)	Reduction of the MFN customs duty (%)	Tariff quota (t, unless otherwise indicated)	Reduction of the MFN customs duty beyond current or possible tariff quota (%)	Reference quantity (t)	Specific provisions
1701 91 00	Cane or beet sugar and chemically pure sucrose, in solid form, containing added flavouring or colouring matter, other than raw sugar	100	-	0		
1701 99	Cane or beet sugar and chemically pure sucrose, in solid form, not containing added flavouring or colouring matter, other than raw sugar					
1702 30	Glucose and glucose syrup, not containing fructose or containing in the dry state less than 20% by weight of fructose	15	1 200	15		
1702 60	Other fructose and fructose syrup, containing in the dry state more than 50% by weight of fructose, excluding invert sugar	100	200	0		
ex 2002 90	Tomatoes, other than whole or in pieces, prepared or preserved otherwise than by vinegar or acetic acid, in powder form	100	200	0		
2003 10	Mushrooms of the genus Agaricus, prepared or preserved otherwise than by vinegar or acetic acid	100	1 200	10		
ex 2004 90	Other vegetables and mixtures of vegetables, in the form of flour or meal	75	300	0		
ex 2004 90	Other vegetables	65				
2005 90 90	Other vegetables and mixtures of vegetables-prepared or preserved, otherwise than by vinegar or acetic acid, not frozen, other	100	900	0		
ex 2007 99	Other jams, fruit jellies, marmalades, fruit or nut pureé and fruit or nut pastes, obtained by cooking with a sugar content exceeding 30% by weight	26,4	500	0		
2008 50	Apricots, otherwise prepared or preserved	100	150	0		

		a	b	c	d	e
HS or Israeli Code	Description (1)	Reduction of the MFN customs duty (%)	Tariff quota (t, unless otherwise indicated)	Reduction of the MFN customs duty beyond current or possible tariff quota (%)	Reference quantity (t)	Specific provisions
2008 70	Peaches including nectarines otherwise prepared or preserved	100	1 600	0		
ex 2008 92	Mixtures of tropical fruit, without strawberries, nuts and citrus	100	500	0		
ex 2009 11 ex 2009 19	Orange juice, frozen and not frozen, unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter, of a Brix value not exceeding 67, in packings of more than 230 kg	100	-	0		
ex 2009 29	Grapefruit juice, unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter, of a Brix value not exceeding 67, in packings of more than 230 kg					
ex 2009 31	Lemon juice, unfermented and not containing added spirit, not containing added sugar or other sweetening matter, of a Brix value not exceeding 20	100	500	0		
ex 2009 39	Other lemon juice, unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter, of a Brix value exceeding 67					
2009 41	Pineapple juice, unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter, of a Brix value not exceeding 20	100	-	0		
ex 2009 49	Other pineapple juice, unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter, of a Brix value exceeding 67					

		a	b	c	d	e
HS or Israeli Code	Description (1)	Reduction of the MFN customs duty (%)	Tariff quota (t, unless otherwise indicated)	Reduction of the MFN customs duty beyond current or possible tariff quota (%)	Reference quantity (t)	Specific provisions
2009 61 ex 2009 69	Grape juice, (incl. grape must), unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter, of a Brix value not exceeding 30 Other grape juice (incl. grape must), unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter, of a Brix value exceeding 67	100	200	0		
2009 71 ex 2009 79	Apple juice, unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter, of a Brix value not exceeding 20 Other apple juice, unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter of a Brix value exceeding 67	100	1400	0		
ex 2009 80	Juice of any other single fruit or vegetable, unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter, of a Brix value exceeding 67	100	500	0		
2204	Wine of fresh grapes, including fortified wines; grape must other than that of heading 2009	100	2 000 hl	0		
2207 10	Undenatured ethyl alcohol of an alcoholic strength by volume of 80% vol or higher	100	3 000	0		
2209 00	Vinegar and substitutes for vinegar obtained from acetic acid	100	-	0		
2301 10	Flours, meals and pellets of meat or meat offal; greaves	100	14000	0		
2303 10	Residues of starch manufacture and similar residues	100	2200	0		
2304 00 00	Oilcake and other solid residues, whether or not ground or in the form of pellets, resulting from the extraction of soya-bean oil	Applicable duty : 9,2%	1800	0		
2306 41 00	Rape seed meal	Applicable duty : 4,5%	3500	0		

		a	b	c	d	e
HS or Israeli Code	Description (1)	Reduction of the MFN customs duty (%)	Tariff quota (t, unless otherwise indicated)	Reduction of the MFN customs duty beyond current or possible tariff quota (%)	Reference quantity (t)	Specific provisions
2309 10 20	Dog or cat food, put up in packing for retail sale, containing, by weight, not less than 15% and not more than 35% protein materials and not less than 4% fat materials	100	1000	0		
2309 10 90 2309 90 90	Preparations of a kind used in animal feeding, other than preparations containing, by weight, not less than 15% and not more than 35% protein materials and not less than 4% fat materials and other than prepared food for ornamental fishes and birds	100	-	0		
2309 90 20 2309 90 30	Other preparations of a kind used in animal feeding, containing, by weight, not less than 15% and not more than 35% protein materials and not less than 4% fat materials and prepared food for ornamental fishes and birds	100	1400	0		
2401 10 2401 20	Tobacco not stemmed/stripped Tobacco partly or wholly stemmed/stripped	100	1 000	Applicable duty 0,07 NIS/kg		

- (1) Notwithstanding the rules for the interpretation of the Harmonized System (HS) or of the Israeli tariff nomenclature, the wording for the description of the products is to be considered as having no more than an indicative value, the preferential scheme being determined, within the context of this Annex, by the coverage of the HS codes or of the Israeli tariff codes. Where "ex" HS codes or "ex" Israeli tariff codes are indicated, the preferential scheme is to be determined by the application of the HS codes or Israeli tariff codes and corresponding description taken together.

ANNEX III

Joint Declaration

In order to promote and facilitate trade particularly in live plants, floriculture and horticulture products, the contracting parties hereby agree to take all measures necessary to ensure that documentary, identity and plant health checks are carried out within a timeframe that is compatible with and proportionate to the sensitive nature of the products concerned.

Should any difficulties arise, the Commission and the Israeli authorities shall hold immediate consultations in order to seek appropriate solutions.

FINANCIAL STATEMENT

1. BUDGET HEADING: Chapter 10 – Agricultural duties Agricultural Expenditures	APPROPRIATIONS: Budget 2003 – Mio EUR 879,825*
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2. TITLE:
 Proposal for a Council decision on the conclusion of an agreement in the form of an Exchange of Letters between the European Community and the State of Israel concerning reciprocal liberalisation measures and the replacement of the Protocols Nos 1 and 2 to the EC-Israel Association Agreement.

3. LEGAL BASIS:
 Article 133 of the Treaty in conjunction with the first sentence of Article 300(2) thereof

4. AIMS:
 Greater liberalisation in trade of agricultural products.

5. FINANCIAL IMPLICATIONS	12 MONTH PERIOD (EUR million)	CURRENT FINANCIAL YEAR 2003 (EUR million)	FOLLOWING FINANCIAL YEAR 2004 (EUR million)
5.0 EXPENDITURE			
- CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTIONS)			
- NATIONAL AUTHORITIES			
- OTHER			
5.1 REVENUE	-0,2	-	-0,2
- OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES)			
- NATIONAL			
	2005	2006	2007
5.0.1 ESTIMATED EXPENDITURE			
5.1.1 ESTIMATED REVENUE			

5.2 METHOD OF CALCULATION:

6.0 CAN THE PROJECT BE FINANCED FROM APPROPRIATIONS ENTERED IN THE RELEVANT CHAPTER OF THE CURRENT BUDGET? YES / ~~NO~~

6.1 CAN THE PROJECT BE FINANCED BY TRANSFER BETWEEN CHAPTERS OF THE CURRENT BUDGET? YES / ~~NO~~

6.2 WILL A SUPPLEMENTARY BUDGET BE NECESSARY? ~~YES~~ / NO

6.3 WILL APPROPRIATIONS NEED TO BE ENTERED IN FUTURE BUDGETS? ~~YES~~ / NO

OBSERVATIONS:
 REVENUE: the removal of the customs duty for a quota of 500 tonnes of poultry meat (ref. CN 02 07 32) involves a forecast annual duty loss of 0,2 M €.

 * From 2003 onwards, the forecast amounts are indicated in net value.

 EXPENDITURE : the changes proposed will not have an effect on the Community budget.