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Outline of Mr. Vouel's Speech in Tel Aviv at the International Fair on  
"Modern Living"  
15 June 1978

- EEC's presence is manifestation both of Community solidarity and of the EC's special relations with Israel.
- History of EEC's relations with Israel.
- Nature of the present relations.
- What must be done to make them flourish.

Your Excellencies, Ladies and Gentlemen,

It is a great pleasure to me personally to have been invited to be with you today, and to be representing the European Community at this important event.

For the presence of the Community has a double importance. First, it is a demonstration of European solidarity. This is one of the first times that both our Member States and the Community as such, have taken part together in a major international trade fair. As you know, the Community now constitutes one single market - the largest in the world - with unified customs barriers. And even though in our free economy, competition between our exporters is bound to continue, and this is healthy, nevertheless the Community has had considerable success in eliminating unfair practices which might distort this competition. I am therefore pleased and proud to represent a Community which is not only a major force in international trade, but is also so manifestly working together.

The Community's presence here is also a sign of its special relationship with Israel. This relationship was endorsed by the two important agreements signed in 1975 and last year. These agreements broadened and deepened the close relations which already existed by extending the area of tariff preferences, and including a financial protocol and provisions for a considerable increase of cooperation to cover industry, trade promotion, development work in science and technology, and agriculture.

Here I must emphasize that the idea of cooperation between your country and the European Community is far from novel. For links between Israel and the EEC are almost as old as the Community itself - if not even older! Israel was one of the first outside powers to grasp the full significance and potential of the Community. As early as the summer of 1957, some months even before the Treaty of Rome had come into effective operation, the Israel government was seeking discussions with the EEC. In April 1958, Israel was the third country to request the accreditation of a diplomatic representation to the Community. So no one could accuse Israel of having been slow off the mark - is she ever? And our relations got off to a good start.

I will not attempt to chart in detail the ups and downs of our cooperation since then. Were I to do so, I would soon lose you in a mass of figures for the tariff rates on avocados, dried vegetables, methyl bromide or bathing suits. Those who are interested in these subjects can easily consult the Community stand at the Fair, where all the necessary information is readily available. Suffice it to say that the ups in our relations have been much more marked than the downs. A first trade agreement was signed in 1964. Two and a half years later, the Israel government proposed to our Council of Ministers the conclusion of an Agreement of Association. After lengthy discussions, this led to the preferential trade agreements signed just 8 years ago in my own country, Luxembourg, in June 1970.

The 1970 agreement was a starting point towards setting up a free trade area between the partners, and was thus noted by the GATT. But scarcely a few months had passed when a fresh set of discussions became necessary in view of the prospect of the enlargement of the Community to include 4 new members, the United Kingdom, Ireland, Denmark and Norway. This new factor coincided in time with the decision of the Community to lay down a joint overall policy towards the countries of the Mediterranean. This new concept gradually gained acceptance. And at the Paris Summit meeting of October 1972, attended by the 3 new candidate countries (Norway had by then voted against EEC membership), the "Global Mediterranean Approach" was formally adopted.

It was against this general background that the negotiations took place in 1973-75 on the trade aspects of our relations, and in 1977 for the other areas of our cooperation. That it took some time to bring these talks to a successful conclusion, is hardly surprising. Not only were they much more ambitious than the previous agreements, but also they were taking place against a background of international crisis. But in the end, the trade agreement was signed in May 1975, and the additional protocols on 8 February 1977, both by Mr Ygal Allon in Brussels.

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The trade provisions are quite simply summarised. Israel now has, for an unlimited period, free access to the Community market for all industrial products, with only a limited number of restrictions on some sensitive goods which are for a strictly limited period. Over 85 % of your agricultural exports to the EEC now enjoy tariff concessions; and over two thirds of the products covered by the new agreements have had their tariffs cut by half or more. For its part, Israel has to eliminate its import duties for industrial goods from the EEC; but this process is much slower, and there are special arrangements for protecting young industries.

As to the cooperation provisions, first the financial protocol allows for a certain support from the EIB. According to my information the EIB will conduct its loan activity in such a manner as to foster small and medium sized enterprises. We hope that in this way a special contribution may be made towards industrialisation.

The economic cooperation envisaged is potentially the most important of all, especially industrial and technological and in agriculture, environment and infrastructure. The agreement is a framework which must be filled in by actions. And it is here that we depend on our partners. In this case, I have no fear at all that Israel will show itself short of ideas. And clearly, the rôle of the private sector in this process will be vital.

The broad spectrum approach, the contractual nature of our links, and the element of financial support, brought the agreement in line with the trade and cooperation agreements made with other countries of the area. I must emphasize again that our approach is strictly regional. For we believe that one of the best ways we can contribute to the peace and stability of the area is by helping in the huge task of its development on a regional basis. Hence it is that our policy in this region has always developed on a basis of balanced and non-discriminatory relations between the various countries while taking account, of course, of the level of development and of the possibilities of each country.

How will this new type of cooperation we are trying to build really function? The idea is that we should discuss together what to do at least once a year in a joint cooperation council. The first such meeting will be in next autumn. And there is no doubt that we will have plenty of work to do. We have no public finance to subsidise this kind of cooperation: for it is essentially up to the operators to identify areas where a greater effort could usefully be made and suggest means to carry this out.

The new protocols provide us with the encouragement needed to make our cooperation far more significant than hitherto. But it is up to the Council to write this new chapter in our relations. The Community's presence at Tel Aviv Fair serves to emphasize what great importance we attach to this new chapter. For we hope to be able to contribute not only to the economic development of your wonderful country, but also to the peace of the whole region.

But I would not like to end without pointing briefly to what we have already been able to achieve together in the framework of this agreement and show how, despite difficulties, our relations are taking concrete shape through action.

In scientific cooperation, symposia between Israeli and European scientists have already been organised both in Israel and in Europe. During the course of this year another symposium is planned, probably at Ispra, on solar energy. Experts from both sides are moreover presently examining a number of scientific research projects in different fields which could lead to joint action between Israel and the Community.

As for industrial cooperation and trade promotion, we are setting up a mission of European importers to visit Israel towards the end of this year as well as missions of Israeli industrialists to Europe. In addition, the activity of our "Marriage Bureau" set up to facilitate contacts and joint ventures between European small and medium enterprises, has been extended to Israel so that we can help Israeli firms find interested partners in the Community.

In the agricultural sphere, we should also by the end of this year be able to define areas and measures for fruitful cooperation.

The European Parliament has set up special relations with the Knesset. An Israeli parliamentary delegation has already been to the seat of the European Parliament in Luxemburg and a visit of members of the European Parliament to Israel should take place towards the end of this year.

Finally, in the context of getting our agreement operative, we envisage the opening - probably by the end of this year - of a Commission permanent delegation in Israel. This will enable us to have a correspondent on the spot well versed in the problems related to the agreement.

I would like to finish by touching on one of the problems worrying Israel most at the moment - the enlargement of the Community. Community membership of Spain, Greece and Portugal will certainly strengthen the world rôle of the Community in the Mediterranean area but also in Africa and Latin America. Enlargement will indeed involve greater cohesion and cooperation between the new member states in all problems of foreign policy. But clearly it is in the Mediterranean area that the effects of enlargement will be most marked because of its repercussions on the share of the Community's market enjoyed by those Mediterranean countries linked to the Community by cooperation agreements. The Community will therefore have to examine with these countries the nature and scope of these repercussions and then identify what measures will be required in order to seek with these countries a new balance helpful to the pursuit of their development. It is clear that this will also be the case with Israel. I trust that our future work together will enable us to solve, to our mutual satisfaction, the problems that may be identified between now and then.