

# EUROPEAN BACKGROUND INFORMATION COMMUNITY

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BACKGROUND NOTE

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## COMMUNITY HOLDS FIRST MEETING WITH ISRAEL SINCE NEW ACCORD

Proposals for joint ventures with Community companies were among the items discussed June 3-7 in Jerusalem at the first meeting of the Community-Israel Mixed Committee since a new trade and cooperation agreement went into force last July 1.

The new agreement, providing for cooperation on science and technology as well as on trade and business, replaced a more limited agreement which would have expired last October.

Under the agreement, the Community has reduced its customs tariff on most Israeli industrial products by 80 per cent with total customs exemption slated for July 1, 1977. The exceptions to these reductions are textiles, chemicals, and refined oil products.

Israel has reduced its customs tariff on some Community industrial products by 30 per cent with total exemption scheduled for 1980 or 1985, depending on the product. For a long list of industrial imports, however, Israel has made a reduction of only 5 per cent.

Agricultural concessions made by both parties were selective. The Community's concessions apply to Israeli citrus puree and pulp, concentrated fruit juice, orange juice, and concentrated and peeled tomatoes.

In a separate note, Israel indicated that it did not consider that this agreement precluded the signature of a financial protocol, giving the country access to Community financial aid, at some later date. The possibility of such aid was also discussed at the meeting.

After a review of EC-Israeli trade, Israel expressed concern about its continuing deficit on trade with the Community. According to preliminary EC statistics, in 1975 the Community's imports from Israel amounted to \$709.7 million while EC exports to Israel totaled \$1.6 billion.