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Treaty Series No. 68 (1978)

Agreement

between the Member States of the
European Coal and Steel Community,
of the one part, and the State of Israel,
of the other part

Brussels, 11 May 1975

[The Agreement entered into force on 1 May 1978]

*Presented to Parliament
by the Secretary of State for Foreign and Commonwealth Affairs
by Command of Her Majesty
August 1978*

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**AGREEMENT
BETWEEN THE MEMBER STATES OF THE EUROPEAN COAL
AND STEEL COMMUNITY, OF THE ONE PART, AND THE
STATE OF ISRAEL, OF THE OTHER PART**

The Kingdom of Belgium, the Kingdom of Denmark, the Federal Republic of Germany, the French Republic, Ireland, the Italian Republic, the Grand Duchy of Luxembourg, the Kingdom of the Netherlands, and the United Kingdom of Great Britain and Northern Ireland, Member States of the European Coal and Steel Community and hereinafter referred to as the "Member States", of the one part,

The State of Israel, of the other part,

Whereas the European Economic Community and the State of Israel are concluding an Agreement concerning the sectors covered by that Community⁽¹⁾,

Pursuing the same objectives and desiring to find like solutions for the sector covered by the European Coal and Steel Community,

Have decided, in pursuit of these objectives and considering that no provision of this Agreement may be interpreted as exempting the Contracting Parties from the obligations which are incumbent upon them under other international agreements, to conclude this Agreement:

ARTICLE 1

This Agreement shall apply to products covered by the European Coal and Steel Community which are specified in the Annex and originate in that Community or Israel.

TITLE I

Trade

ARTICLE 2

1. Products originating in Israel shall, on importation into the Community, be governed by the provisions of Protocol No. 1.
2. Products originating in the Community shall, on importation into Israel, be governed by the provisions of Protocol No. 2.
3. The provisions determining the rules of origin for the application of the Agreement between the European Economic Community and the State of Israel signed this same day shall also be applicable to this Agreement.

ARTICLE 3

1. No new customs duty on imports or charge having equivalent effect and no new quantitative restriction on imports or measure having equivalent effect shall be introduced in trade between the Community and Israel.

(1) European Communities No. 136 (1975), Cmnd. 6249.

2. Charges having an effect equivalent to customs duties on imports introduced on or after 1 January 1974 in trade between the Community and Israel shall be abolished upon the entry into force of the Agreement.

Any charge having an effect equivalent to a customs duty on imports, the rate of which on 31 December 1974 was higher than that actually applied on 1 January 1974, shall be reduced to the latter rate upon the entry into force of the Agreement.

ARTICLE 4

1. No new customs duty on exports or charge having equivalent effect shall be introduced in trade between the Community and Israel.

2. Customs duties and charges having equivalent effect on products exported from one Contracting Party to the other shall be abolished on 1 July 1977.

ARTICLE 5

1. A Contracting Party which is considering the reduction of the effective level of its duties or charges having equivalent effect applicable to third countries benefiting from most-favoured-nation treatment, or which is considering the suspension of their application, shall, as far as may be practicable, notify the Joint Committee not less than thirty days before such reduction or suspension comes into effect. It shall take note of any representation by the other Contracting Party regarding any distortions which might result therefrom.

2. In the event of amendments to the nomenclature of the customs tariffs of the Contracting Parties affecting products referred to in the Agreement, the Joint Committee may adapt the tariff nomenclature of these products in the Agreement.

ARTICLE 6

The Agreement shall not modify the provisions of the Treaty establishing the European Coal and Steel Community⁽²⁾ or the powers and jurisdiction deriving therefrom.

ARTICLE 7

The Agreement shall not preclude the maintenance or establishment of customs unions, free trade areas or arrangements for frontier trade, except insofar as they alter the trade arrangements provided for in the Agreement, in particular the provisions concerning the rules of origin.

ARTICLE 8

The Contracting Parties shall refrain from any measure or practice of an internal fiscal nature establishing, whether directly or indirectly, discrimination between the products of one Contracting Party and like products originating in the territory of the other Contracting Party.

Products exported to the territory of one of the Contracting Parties may not benefit from repayment of internal taxation in excess of the amount of direct or indirect taxation imposed on them.

⁽²⁾ Treaty Series No. 2 (1973), Cmnd. 5189.

ARTICLE 9

Payments relating to trade in goods and the transfer of such payments to the Member State of the Community in which the creditor is resident or to Israel shall be free from any restrictions where such trade is covered by the provisions of the Agreement.

ARTICLE 10

The Agreement shall not preclude prohibitions or restrictions on imports, exports or goods in transit justified on grounds of public morality, public policy or public security, the protection of human, animal or plant life and health, the protection of national treasures of artistic, historic or archaeological value, the protection of industrial and commercial property, or rules relating to gold or silver. Such prohibitions or restrictions must not, however, constitute a means of arbitrary discrimination or a disguised restriction on trade between the Contracting Parties.

ARTICLE 11

1. The following are incompatible with the proper functioning of the Agreement insofar as they may affect trade between the Community and Israel:

- (i) all agreements between undertakings, decisions by associations of undertakings and concerted practices between undertakings which have as their object or effect the prevention, restriction or distortion of competition as regards the production of or trade in goods;
- (ii) abuse by one or more undertakings of a dominant position in the territories of the Contracting Parties as a whole or in a substantial part thereof;
- (iii) any public aid which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods.

2. Should a Contracting Party consider that a given practice is incompatible with this Article, it may take appropriate measures under the conditions and in accordance with the procedures laid down in Article 16.

ARTICLE 12

If the offers made by Israeli undertakings are likely to be detrimental to the functioning of the common market and if any such detriment is attributable to a difference in the conditions of competition as regards prices, Member States may take appropriate measures under the conditions and in accordance with the procedures laid down in Article 16.

ARTICLE 13

Where an increase in imports of a given product is or is likely to be seriously detrimental to any production activity carried on in the territory of one of the Contracting Parties and where this increase is due to:

- the partial or total reduction in the importing Contracting Party, as provided for in the Agreement, of customs duties and charges having equivalent effect levied on the product in question; and

—the fact that the duties or charges having equivalent effect levied by the exporting Contracting Party on imports of raw materials or intermediate products used in the manufacture of the product in question are significantly lower than the corresponding duties or charges levied by the importing Contracting Party;

the Contracting Party concerned may take appropriate measures under the conditions and in accordance with the procedures laid down in Article 16.

ARTICLE 14

If one of the Contracting Parties finds that dumping is taking place in trade with the other Contracting Party, it may take appropriate measures against this practice in accordance with the Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade,⁽⁹⁾ under the conditions and in accordance with the procedures laid down in Article 16.

ARTICLE 15

If serious disturbances arise in any sector of the economy or if difficulties arise which could bring about serious deterioration in the economic situation of a region, the Contracting Party concerned may take appropriate measures under the conditions and in accordance with the procedures laid down in Article 16.

ARTICLE 16

1. In the event of a Contracting Party subjecting imports of products liable to give rise to the difficulties referred to in Article 13 and 15 to an administrative procedure, the purpose of which is to provide rapid information on the trend of trade flows, it shall inform the other Contracting Party.

2. In the cases specified in Articles 11, 12, 13, 14, 15 and 24, before taking the measures provided for therein or, as soon as possible in cases to which paragraph 3 (e) applies the Contracting Party in question shall supply the Joint Committee as soon as possible with all relevant information required for a thorough examination of the situation with a view to seeking a solution acceptable to the Contracting Parties.

In the selection of measures, priority must be given to those which least disturb the functioning of the Agreement.

The safeguard measures shall be notified immediately to the Joint Committee and shall be the subject of periodical consultations within the Committee, particularly with a view to their abolition as soon as circumstances permit.

3. For the implementation of paragraph 2, the following provisions shall apply:

- (a) As regards Article 11, either Contracting Party may refer the matter to the Joint Committee if it considers that a given practice is incompatible with the proper functioning of the Agreement within the meaning of Article 11 (1).

⁽⁹⁾ Basic Instruments and Selected Documents, General Agreement on Tariffs and Trade, Volume IV, Text of the General Agreement. (Sales No. GATT/1969-1, available through Agency Section, Her Majesty's Stationery Office, P.O. Box 569, London, SE1 9NY. Tel. 01-928 6977 ext. 410.)

The Contracting Parties shall provide the Joint Committee with all relevant information and shall give it the assistance it requires in order to examine the case and, where appropriate, to eliminate the practice objected to.

If the Contracting Party in question fails to put an end to the practice objected to within the period fixed by the Joint Committee or, in the absence of agreement in the Joint Committee, within three months of the matter being referred to it, the Contracting Party concerned may adopt any safeguard measures it considers necessary to deal with the serious difficulties resulting from the practice in question; in particular it may withdraw tariff concessions.

- (b) As regards Article 12, the Contracting Parties shall provide the Joint Committee with all relevant information and shall give it the assistance it requires in order to examine the case and, where appropriate, to consider appropriate measures.

If Israel fails to put an end to the practice objected to within the period fixed by the Joint Committee or, in the absence of agreement in the Joint Committee, within one month of the matter being referred to it, the Member States may adopt any safeguard measures they consider necessary to avoid, or put an end to, any detriment to the functioning of the common market; in particular they may withdraw tariff concessions.

- (c) As regards Article 13, the difficulties arising from the situation referred to in that Article shall be referred for examination to the Joint Committee, which may take any decision needed to put an end to such difficulties.

If the Joint Committee or the exporting Contracting Party has not taken a decision putting an end to the difficulties within thirty days of notification of the matter, the importing Contracting Party shall be authorized to levy a countervailing charge on the product imported.

The countervailing charge shall be calculated according to the incidence on the value of the goods in question of the tariff disparities in respect of the raw materials or intermediate products incorporated therein.

- (d) As regards Article 14, consultation in the Joint Committee shall take place before the Contracting Party concerned takes the appropriate measures.

- (e) Where exceptional circumstances requiring immediate action make prior examination impossible, the Contracting Party concerned may, in the situations specified in Articles 13, 14 and 15 and also in the case of export aids having a direct and immediate incidence on trade, apply forthwith the precautionary measures as are strictly necessary to remedy the situation.

ARTICLE 17

Where one or more Member States of the Community or Israel is in difficulties or is seriously threatened with difficulties as regards its balance of payments, the Contracting Party concerned may take the necessary safeguard measures. It shall inform the other Contracting Party forthwith.

TITLE II

General and Final Provisions

ARTICLE 18

1. A Joint Committee is hereby established which shall be responsible for the administration of the Agreement and shall ensure its proper implementation. For this purpose, it shall make recommendations and take decisions in the cases provided for in the Agreement. These decisions shall be implemented by the Contracting Parties in accordance with their own rules.

2. For the purpose of the proper implementation of the Agreement the Contracting Parties shall exchange information and, at the request of either Party, shall hold consultations within the Joint Committee.

3. The Joint Committee shall formally adopt its own rules of procedure.

ARTICLE 19

1. The Joint Committee shall consist of representatives of the Member States on the one hand, and of representatives of Israel on the other.

2. The Joint Committee shall act by mutual agreement.

ARTICLE 20

1. Each Contracting Party shall preside in turn over the Joint Committee, in accordance with the arrangements to be laid down in its rules of procedure.

2. The Chairman shall convene meetings of the Joint Committee at least once a year in order to review the general functioning of the Agreement.

The Joint Committee shall, in addition, meet whenever special circumstances so require, at the request of either Contracting Party, in accordance with the conditions to be laid down in its rules of procedure.

3. The Joint Committee may decide to set up any working party that can assist it in carrying out its duties.

ARTICLE 21

Nothing in the Agreement shall prevent a Contracting Party from taking any measures:

(a) which it considers necessary to prevent the disclosure of information contrary to its essential security interests;

- (b) which relate to trade in arms, munitions or war materials or to research, development or production indispensable for defence purposes, provided that such measures do not impair the conditions of competition in respect of products not intended for specifically military purposes;
- (c) which it considers essential to its security in time of war or serious international tension.

ARTICLE 22

In the fields covered by the Agreement :

- the arrangements applied by Israel in respect of the Community shall not give rise to any discrimination between the Member States, their nationals, or their companies or firms;
- the arrangements applied by the Community in respect of Israel shall not give rise to discrimination between Israeli nationals, companies or firms.

ARTICLE 23

1. Where a Contracting Party considers that it would be useful in the common interest of the Contracting Parties to develop the relations established by the Agreement by extending them to fields not covered thereby, it shall submit a reasoned request to the other Contracting Party.

The Contracting Parties may instruct the Joint Committee to examine this request and, where appropriate, to make recommendations to them, particularly with a view to opening negotiations.

2. The agreements resulting from the negotiations referred to in paragraph 1 will be subject to ratification or approval by the Contracting Parties in accordance with their own procedures.

ARTICLE 24

1. The Contracting Parties shall refrain from any measure likely to jeopardize the attainment of the objectives of the Agreement.

2. They shall take any general or specific measures required to fulfil their obligations under the Agreement.

If either Contracting Party considers that the other Contracting Party has failed to fulfil an obligation under the Agreement, it may take appropriate measures under the conditions and in accordance with the procedures laid down in Article 16.

ARTICLE 25

The Protocols annexed to the Agreement shall form an integral part thereof.

ARTICLE 26

Each Contracting Party may denounce the Agreement by notifying the other Contracting Party. The Agreement shall cease to apply 12 months after the date of such notification.

ARTICLE 27

The Agreement shall apply, on the one hand, to the territories to which the Treaty establishing the European Coal and Steel Community applies under the conditions laid down in that Treaty, and to the State of Israel on the other.

ARTICLE 28

This Agreement is drawn up in duplicate in the Danish, Dutch, English, French, German, Italian and Hebrew languages, each of these texts being equally authentic.⁽⁴⁾

This Agreement will be approved by the Contracting Parties in accordance with their own procedures.

It shall enter into force on the first day of the second month following the date on which the Contracting Parties notify each other that the procedures necessary to this end have been completed.⁽⁵⁾

Done at Brussels, the eleventh day of May in the year one thousand nine hundred and seventy-five corresponding to the first day of Sivan in the year five thousand seven hundred and thirty-five of the Hebrew calendar.

[Here follow the signatures]

⁽⁴⁾ For texts in Danish, Dutch, French, German and Italian see Official Journal of the European Communities No. L 98 of 11 April 1978, available through Agency Section, Her Majesty's Stationery Office, PO Box 569, London, SE1 9NY. Tel. 01-928 6977, ext. 410.

⁽⁵⁾ The Agreement entered into force on 1 May 1978.

ANNEX

LIST OF PRODUCTS REFERRED TO IN ARTICLE 1 OF THE AGREEMENT

Brussels Nomenclature heading No.	Description
26.01	<p>Metallic ores and concentrates and roasted iron pyrites:</p> <p>A. Iron ores and concentrates and roasted iron pyrites:</p> <p style="padding-left: 20px;">II. Other</p> <p>B. Manganese ores and concentrates, including manganese iron ores and concentrates with a manganese content of 20% or more by weight</p>
26.02	<p>Slag, dross, scalings and similar waste from the manufacture of iron or steel:</p> <p>A. Blast-furnace dust</p>
27.01	Coal; briquettes, ovoids and similar solid fuels manufactured from coal
27.02	Lignite, whether or not agglomerated
27.04	<p>Coke and semi-coke of coal, of lignite or of peat:</p> <p>A. Of coal:</p> <p style="padding-left: 20px;">II. Other</p> <p>B. Of lignite</p>
73.01	Pig iron, cast iron and spiegeleisen, in pigs, blocks, lumps and similar forms
73.02	<p>Ferro-alloys:</p> <p>A. Ferro-manganese:</p> <p style="padding-left: 20px;">I. Containing more than 2% by weight of carbon (high carbon ferro-manganese)</p>
73.03	Waste and scrap metal of iron or steel
73.05	<p>Iron or steel powders; sponge iron or steel:</p> <p>B. Sponge iron or steel</p>
73.06	Puddled bars and pilings; ingots, blocks, lumps and similar forms, of iron or steel
73.07	<p>Blooms, billets, slabs and sheet bars (including tinplate bars), of iron or steel; pieces roughly shaped by forging, of iron or steel:</p> <p>A. Blooms and billets:</p> <p style="padding-left: 20px;">I. Rolled</p> <p>B. Slabs and sheet bars (including tinplate bars):</p> <p style="padding-left: 20px;">I. Rolled</p>
73.08	Iron or steel coils for re-rolling
73.09	Universal plates of iron or steel
73.10	<p>Bars and rods (including wire rod), of iron or steel, hot-rolled, forged, extruded, cold-formed or cold-finished (including precision-made); hollow mining drill steel:</p> <p>A. Not further worked than hot-rolled or extruded</p> <p>D. Clad or surface-worked (for example, polished, coated):</p> <p style="padding-left: 20px;">I. Not further worked than clad:</p> <p style="padding-left: 40px;">(a) Hot-rolled or extruded</p>
73.11	<p>Angles, shapes and sections, of iron or steel, hot-rolled, forged, extruded, cold-formed or cold-finished; sheet piling of iron or steel, whether or not drilled, punched or made from assembled elements:</p> <p>A. Angles, shapes and sections:</p> <p style="padding-left: 20px;">I. Not further worked than hot-rolled or extruded</p>

Brussels Nomenclature heading No.	Description
73.11 (continued)	IV. Clad or surface-worked (for example, polished, coated): (a) Not further worked than clad: 1. Hot-rolled or extruded B. Sheet piling
73.12	Hoop and strip, of iron or steel, hot-rolled or cold-rolled: A. Not further worked than hot-rolled B. Not further worked than cold-rolled: I. In coils for the manufacture of timplate (a) C. Clad, coated or otherwise surface-treated: III. Tinned: (a) Timplate V. Other (for example, copper-plated, artificially oxidised, lacquered, nickel-plated, varnished, clad, parkerised, printed): (a) Not further worked than clad: 1. Hot-rolled
73.13	Sheets and plates, of iron or steel, hot-rolled or cold-rolled: A. "Electrical" sheets and plates B. Other sheets and plates: I. Not further worked than hot-rolled II. Not further worked than cold-rolled, of a thickness of: (b) More than 1 mm but less than 3 mm (c) 1 mm or less III. Not further worked than burnished, polished or glazed IV. Clad, coated or otherwise surface-treated: (b) Tinned: 1. Timplate 2. Other (c) Zinc-coated or lead-coated (d) Other (for example, copper-plated, artificially oxidised, lacquered, nickel-plated, varnished, clad, parkerised, printed) V. Otherwise shaped or worked: (a) Cut into shapes other than rectangular shapes, but not further worked: 2. Other
73.15	Alloy steel and high carbon steel in the forms mentioned in headings Nos. 73.06 to 73.14: A. High carbon steel: I. Ingots, blooms, billets, slabs and sheet bars: (b) Other III. Coils for re-rolling IV. Universal plates V. Bars and rods (including wire rod) and hollow mining drill steel angles, shapes and sections: (b) Not further worked than hot-rolled or extruded (d) Clad or surface-worked (for example, polished, coated): 1. Not further worked than clad: (aa) Hot-rolled or extruded VI. Hoop and strip: (a) Not further worked than hot-rolled (c) Clad, coated or otherwise surface-treated: 1. Not further worked than clad: (aa) Hot-rolled VII. Sheets and plates: (a) Not further worked than hot-rolled (b) Not further worked than cold-rolled, of a thickness of: 2. Less than 3 mm (c) Polished, clad, coated or otherwise surface-treated

(a) Entry under this subheading is subject to conditions to be determined by the competent authorities.

Brussels Nomenclature heading No.	Description
73.15 (continued)	<p>(d) Otherwise shaped or worked:</p> <ol style="list-style-type: none"> 1. Cut into shapes other than rectangular shapes, but not further worked <p>B. Alloy steel:</p> <ol style="list-style-type: none"> I. Ingots, blooms, billets, slabs and sheet bars: <ol style="list-style-type: none"> (b) Other III. Coils for re-rolling IV. Universal plates V. Bars and rods (including wire rod) and hollow mining drill steel; angles, shapes and sections: <ol style="list-style-type: none"> (b) Not further worked than hot-rolled or extruded (d) Clad or surface-worked (for example, polished, coated): <ol style="list-style-type: none"> 1. Not further worked than clad: <ol style="list-style-type: none"> (aa) Hot-rolled or extruded VI. Hoop and strip: <ol style="list-style-type: none"> (a) Not further worked than hot-rolled (c) Clad, coated or otherwise surface-treated: <ol style="list-style-type: none"> 1. Not further worked than clad: <ol style="list-style-type: none"> (aa) Hot-rolled VII. Sheets and plates: <ol style="list-style-type: none"> (a) "Electrical" sheets and plates (b) Other sheets and plates: <ol style="list-style-type: none"> 1. Not further worked than hot-rolled 2. Not further worked than cold-rolled, of a thickness of: <ol style="list-style-type: none"> (bb) Less than 3 mm 3. Polished, clad, coated or otherwise surface-treated 4. Otherwise shaped or worked: <ol style="list-style-type: none"> (aa) Cut into shapes other than rectangular shapes, but not further worked
73.16	<p>Railway and tramway track construction material of iron or steel, the following: rails, check-rails, switch blades, crossings (or frogs), crossing pieces, point rods, rack rails, sleepers, fish-plates, chairs, chair wedges, sole plates (base plates), rail clips, bedplates, ties and other material specialised for joining or fixing rails:</p> <ol style="list-style-type: none"> A. Rails: <ol style="list-style-type: none"> II. Other B. Check-rails C. Sleepers D. Fish-plates and sole plates: <ol style="list-style-type: none"> I. Rolled

**PROTOCOL No. 1 CONCERNING THE APPLICATION OF
ARTICLE 2(1) OF THE AGREEMENT**

ARTICLE 1

Customs duties and charges having equivalent effect on imports into the Community of products covered by the European Coal and Steel Community shall be abolished in accordance with the following timetable:

Timetable	Rate of reduction
—on the date of the entry into force of the Agreement	60%
—from 1 January 1976	80%
—from 1 July 1977	100%

ARTICLE 2

1. For each product, the basic duties to which the reductions provided for in Article 1 are to be applied shall be:

- for the Community as originally constituted: those duties actually applied in respect of Israel on 1 January 1974;
- for Denmark, Ireland and the United Kingdom: those duties actually applied in respect of Israel on 1 January 1972.

2. The reduced duties calculated in accordance with Article 1 shall be applied rounded to the first decimal place.

Subject to the application by the Community of Article 39 (5) of the Act concerning the Conditions of Accession and the Adjustments to the Treaties⁽⁵⁾ as regards the specific duties or the specific part of the mixed duties in the Irish and United Kingdom Customs Tariffs, Article 1 shall be applied, with rounding to the fourth decimal place.

ARTICLE 3

1. The products originating in Israel referred to in this Protocol may not enjoy more favourable treatment when imported into the Community than that applied by the Member States between themselves.

2. For the application of the preceding paragraph, account shall not be taken of the customs duties and charges having equivalent effect resulting from the application of Articles 32 and 36 of the Act concerning the Conditions of Accession and the Adjustments to the Treaties.

ARTICLE 4

Quantitative restrictions on imports into the Community shall be abolished on the date of the entry into force of the Agreement, and measures having an equivalent effect to quantitative restrictions on imports shall be abolished not later than 1 January 1976.

⁽⁵⁾ Treaty Series No. 1 (1973)—Part I, Cmnd. 5179—I.

PROTOCOL No. 2 RELATING TO THE APPLICATION OF
ARTICLE 2 (2) OF THE AGREEMENT

SOLE ARTICLE

Israel shall apply Protocol No. 2 of the Agreement between the European Economic Community and the State of Israel, signed this day, to imports of products covered by the European Coal and Steel Community and originating in the Community.



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