

**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 1 and 2 to the EC-Israel Association Agreement***A. Letter from the European Community*

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 1 and 2 to the Association Agreement and their annexes shall be replaced by Protocols 1 and 2 and their annexes appearing 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Community of fresh cut flowers and flower buds falling within subheading 0603 10 of the Common Customs Tariff is hereby repealed.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, shall be 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 1 January 2004.

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*

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## ANNEX I

## PROTOCOL 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 CN 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.

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## ANNEX TO PROTOCOL 1

| CN Code (1)            | Description (2)   | a                                       | b                | c   | d                      | e  |
|------------------------|---|---|------------------|---|------------------------|--|
|                        |   | 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                | Turkeys, not cut in pieces, frozen  | 100                                     | 1 400            | 0   |                        |  |
| 0207 27 10             | Boneless turkeys cuts, frozen   |   |                  |   |                        |  |
| 0207 27 30/40/50/60/70 | Turkeys cuts with bone in, frozen   |   |                  |   |                        |  |
| 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<br>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   |                        |  |

| CN Code <sup>(1)</sup> | Description <sup>(2)</sup>   | a  | b  | c  | d                                 | e  |
|------------------------|--|--|--|--|-----------------------------------|--|
|                        |  | Reduction of the MFN customs duty <sup>(3)</sup> % | Tariff quota <sup>(t)</sup>                        | Reduction of the MFN customs duty beyond current or possible tariff quota <sup>(3)</sup> % | Reference quantity <sup>(t)</sup> | Specific provisions                              |
| 0702 00 00             | Tomatoes, fresh or chilled   | 100  | 9 000 for cherry tomatoes (*) and 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 ( <i>Muscari comosum</i> ), 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                             |  |
| 0709 40 00             | Stick celery ( <i>Apium graveolens</i> , 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 ( <i>Muscari comosum</i> )               | 100  | 2 000  | 0  |                                   |  |

| CN Code <sup>(1)</sup>   | Description <sup>(2)</sup>  | a  | b                | c  | d                      | e  |
|--------------------------|---|--|------------------|--|------------------------|--|
|                          |   | Reduction of the MFN customs duty <sup>(3)</sup> % | Tariff quota (t) | Reduction of the MFN customs duty beyond current or possible tariff quota <sup>(3)</sup> % | Reference quantity (t) | Specific provisions                              |
| ex 0710 80 59            | Fruits of the genus <i>Capsicum</i> , from 15 November to 30 April  | 100  | —                | 30   |                        | subject to the provisions of Protocol 1, point 4 |
| 0711 90 50               | Onions provisionally preserved but unsuitable 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<br>2002 90 99 | Tomato powder with a dry matter content of more than 30 % by weight, prepared or preserved otherwise than by vinegar or acetic acid |  |                  |  |                        |  |
| 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   |                        |  |

| CN Code <sup>(1)</sup>         | Description <sup>(2)</sup>   | a  | b                | c  | d                      | e  |
|--------------------------------|--|--|------------------|--|------------------------|--|
|                                |  | Reduction of the MFN customs duty <sup>(3)</sup> % | Tariff quota (t) | Reduction of the MFN customs duty beyond current or possible tariff quota <sup>(3)</sup> % | Reference quantity (t) | Specific provisions                              |
| ex 0805 20                     | Mandarins (including tangerines and satsumas), clementines, wilkings and similar citrus hybrids, fresh                               | 100  | 21 000           | 60   |                        |  |
| 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<br><br>Persimmons, fresh, from 1 November to 31 July   | 100  | —                | 0  |                        | subject to the provisions of Protocol 1, point 4 |
| ex 0811 90 19<br>ex 0811 90 39 | Grapefruit segments, frozen  | 80   | —                | 0  |                        |  |

| CN Code <sup>(1)</sup> | Description <sup>(2)</sup>  | a  | b                | c  | d                      | e  |
|------------------------|---|--|------------------|--|------------------------|--|
|                        |   | Reduction of the MFN customs duty <sup>(3)</sup> % | Tariff quota (t) | Reduction of the MFN customs duty beyond current or possible tariff quota <sup>(3)</sup> % | Reference quantity (t) | Specific provisions                              |
| 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 |
| 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  | —                | 80   |                        | 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 <i>Capsicum</i> or of the genus <i>Pimenta</i> , 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 <i>Capsicum</i> or of the genus <i>Pimenta</i> , crushed or ground  |  |                  |  |                        |  |
| 0910 40 13             | Thyme, neither crushed nor ground (excluding 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 <i>Capsicum</i> other than sweet peppers or pimentos, from 15 November to 30 April                              | 100  | —                | 30   |                        | subject to the provisions of Protocol 1, point 4 |

| CN Code <sup>(1)</sup>         | Description <sup>(2)</sup>  | a  | b                | c  | d                      | e  |
|--------------------------------|---|--|------------------|--|------------------------|--|
|                                |   | Reduction of the MFN customs duty <sup>(3)</sup> % | Tariff quota (t) | Reduction of the MFN customs duty beyond current or possible tariff quota <sup>(3)</sup> % | Reference quantity (t) | Specific provisions                              |
| ex 2001 90 93<br>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   |                        |  |
| 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<br>ex 2005 90 80 | Celeriac, cabbages (excluding 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 <i>Capsicum</i> 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<br>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<br>2008 30 71       | Grapefruit segments   | 100  | —                | 80   | 16 440                 |  |



| CN Code <sup>(1)</sup>         | Description <sup>(2)</sup>   | a  | b                | c  | d                      | e  |
|--------------------------------|--|--|------------------|--|------------------------|--|
|                                |  | Reduction of the MFN customs duty <sup>(3)</sup> % | Tariff quota (t) | Reduction of the MFN customs duty beyond current or possible tariff quota <sup>(3)</sup> % | Reference quantity (t) | Specific provisions                              |
| ex 2008 30 55                  | Mandarins (including tangerines and satsumas), clementines, wilkings and other similar citrus hybrids, comminuted                      | 100  | —                | 80   |                        | subject to the provisions of Protocol 1, point 4 |
| ex 2008 30 59                  | Comminuted oranges and lemons<br>Grapefruit, other than segments   |  |                  |  |                        |  |
| 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 (including tangerines and satsumas), clementines, wilkings and other similar citrus hybrids, comminuted                      | 100  | —                | 80   |                        | subject to the provisions of Protocol 1, point 4 |
| 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,<br>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<br>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<br>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<br>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  |                        |  |

| CN Code <sup>(1)</sup>   | Description <sup>(2)</sup>  | a  | b   | c  | d                      | e  |
|--|---|--|---|--|------------------------|--|
|  |   | Reduction of the MFN customs duty <sup>(3)</sup> % | Tariff quota (t)  | Reduction of the MFN customs duty beyond current or possible tariff quota <sup>(3)</sup> % | Reference quantity (t) | Specific provisions                              |
| 2008 92 51<br>2008 92 59<br>2008 92 72<br>2008 92 74<br>2008 92 76<br>2008 92 78   | Mixtures of fruits, not containing added spirit, containing added sugar   | 100  | 250   | 0  |                        |  |
| 2009 11 11<br>2009 11 19<br>2009 11 91<br>2009 11 99<br>2009 12 00<br>2009 19 11<br>2009 19 19<br>2009 19 91<br>2009 19 98 | Orange juice  | 100  | 46 000 of which, in packs of 2 l or less not more than 19 000 | 70   |                        |  |
| 2009 21 00<br>2009 29 11<br>2009 29 19<br>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 EUR 30 per 100 kg net weight   | 100  | —   | 60   |                        | subject to the provisions of Protocol 1, point 4 |
| ex 2009 31 11<br>ex 2009 31 19<br>ex 2009 39 31<br>ex 2009 39 39   | Juice of any other single citrus fruit of a Brix value not exceeding 67, of a value exceeding EUR 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 EUR 30 per 100 kg net weight  | 60   | —   |  |                        |  |
| 2009 50  | Tomato juice  | 100  | 10 200  | 60   |                        |  |
| 2009 61<br>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 EUR 30 per 100 kg net weight, not containing added sugar<br><br>Mixtures of citrus fruit juices of a Brix value not exceeding 67, of a value exceeding EUR 30 per 100 kg net weight, not containing added sugar | 100  | 1 500   | 0  |                        |  |

| CN Code <sup>(1)</sup>   | Description <sup>(2)</sup>  | a  | b                | c  | d                      | e  |
|--------------------------|---|--|------------------|--|------------------------|--|
|                          |   | Reduction of the MFN customs duty <sup>(3)</sup> % | Tariff quota (t) | Reduction of the MFN customs duty beyond current or possible tariff quota <sup>(3)</sup> % | Reference quantity (t) | Specific provisions                                |
| 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            | Prickly 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<br>2209 00 19 | Wine vinegar  | 100  | —                |  |                        |  |

<sup>(1)</sup> CN codes corresponding to Regulation (EC) No 1832/2002 (OJ L 290 of 28 October 2002).

<sup>(2)</sup> 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.

<sup>(3)</sup> 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.

<sup>(\*)</sup> Entry 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 L 95, 15.4.2000), and subsequent amendments).

<sup>(\*\*)</sup> 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 EUR 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 2****concerning the arrangements applicable to imports into Israel of agricultural products originating in the Community**

1. The products listed in 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 reference 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.

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## ANNEX TO PROTOCOL 2

| HS or Israeli Code | Description (1)   | a                                     | b  | c   | d                      | e  |
|--------------------|---|---------------------------------------|--|---|------------------------|--|
|                    |   | 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 <i>Gallus domesticus</i> , ducks, geese, turkeys, and guinea fowls, weighing not more than 185 g   | 100                                   | 500 000 p/st                                 | 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 p/st                                  | 0   |                        |  |
| 0603 90 00         | Dried, dyed, bleached, impregnated or otherwise prepared cut flowers and flower buds  | 100                                   | 50   | 0   |                        |  |
| ex 0604 10         | Mosses and lichens, fresh   | 100                                   | —  | 0   |                        | subject to the provisions of Protocol 2, point 5 |
| 0604 91            | Foliage, branches and other parts of plants and grasses, fresh  |                                       |  |   |                        |  |
| ex 0604 99         | Foliage, not further prepared than dried  |                                       |  |   |                        |  |
| 0701 10 00         | Potatoes, seed, fresh or chilled  | 100                                   | 17 000                                       | 0   |                        |  |

| HS or Israeli Code | Description (1)   | a                                     | b  | c   | d                      | e                   |
|--------------------|---|---------------------------------------|--|---|------------------------|---------------------|
|                    |   | 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   |                        |                     |
| 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. <i>major</i> ) and horse beans ( <i>Vicia faba</i> var. <i>equina</i> , <i>Vicia faba</i> var. <i>minor</i> ), 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   |                        |                     |

| HS or Israeli Code | Description (1)   | a                                     | b  | c   | d                      | e  |
|--------------------|---|---------------------------------------|--|---|------------------------|--|
|                    |   | 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                              |
| 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   |                        |  |
| 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   |                        |  |

| HS or Israeli Code | Description (1)  | a                                     | b  | c   | d                      | e                   |
|--------------------|--|---------------------------------------|--|---|------------------------|---------------------|
|                    |  | 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 |
| 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         | Sardines, in airtight container, Tuna,   | 100                                   | 300  | 0   |                        |                     |
| ex 1604 14         | in airtight container  |                                       |  |   |                        |                     |
| 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   |                        |                     |



| HS or Israeli Code       | Description (1)   | a                                     | b  | c   | d                      | e                   |
|--------------------------|---|---------------------------------------|--|---|------------------------|---------------------|
|                          |   | 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 |
| 2003 10                  | Mushrooms of the genus <i>Agaricus</i> , 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   |                        |                     |
| 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<br>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   |                        |                     |

| HS or Israeli Code | Description (1)   | a                                     | b  | c   | d                      | e                   |
|--------------------|---|---------------------------------------|--|---|------------------------|---------------------|
|                    |   | 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 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                        |                                       |  |   |                        |                     |
| 2009 61            | Grape juice, (including 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      | 100                                   | 200  | 0   |                        |                     |
| ex 2009 69         | Other grape juice (including grape must), unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter, of a Brix value exceeding 67     |                                       |  |   |                        |                     |
| 2009 71            | 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                              | 100                                   | 1 400  | 0   |                        |                     |
| ex 2009 79         | 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                             |                                       |  |   |                        |                     |
| 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                                   | 14 000                                       | 0   |                        |                     |
| 2303 10            | Residues of starch manufacture and similar residues   | 100                                   | 2 200  | 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 %                | 1 800  | 0   |                        |                     |
| 2306 41 00         | Rape seed meal  | Applicable duty: 4,5 %                | 3 500  | 0   |                        |                     |

| HS or Israeli Code       | Description <sup>(1)</sup>   | a                                     | b  | c   | d                      | e                   |
|--------------------------|--|---------------------------------------|--|---|------------------------|---------------------|
|                          |  | 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                                   | 1 000  | 0   |                        |                     |
| 2309 10 90<br>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<br>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                                   | 1 400  | 0   |                        |                     |
| 2401 10                  | Tobacco not stemmed/stripped   | 100                                   | 1 000  | Applicable duty<br>0,07 NIS/kg  |                        |                     |
| 2401 20                  | Tobacco partly or wholly stemmed/stripped  |                                       |  |   |                        |                     |

<sup>(1)</sup> Notwithstanding the rules for the interpretation of the Harmonised 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.

*B. Letter from the State of Israel*

Sir,

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

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 1 and 2 to the Association Agreement and their annexes shall be replaced by the Protocols 1 and 2 and their annexes, appearing 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, shall be 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 1 January 2004.

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*

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