

**Decision of the Council and the Commission of 19 April 2000 on the conclusion of a 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 (2000/384/EC, ECSC)**

*Official Journal L 147 , 21/06/2000 P. 0003 - 0171*

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

[...]

Article 1

1. An association is hereby established between the Community and its Member States, of the one part, and Israel, of the other part.

2. The aims of this Agreement are:

- to provide an appropriate framework for political dialogue, allowing the development of close political relations between the Parties,

- through the expansion, inter alia, of trade in goods and services, the reciprocal liberalisation of the right of establishment, the further progressive liberalisation of public procurement, the free movement of capital and the intensification of cooperation in science and technology to promote the harmonious development of economic relations between the Community and Israel and thus to foster in the Community and in Israel the advance of economic activity, the improvement of living and employment conditions, and increased productivity and financial stability,

- to encourage regional cooperation with a view to the consolidation of peaceful coexistence and economic and political stability,

- to promote cooperation in other areas which are of reciprocal interest.

[...]

TITLE IV

[...]

CHAPTER 3

COMPETITION

Article 36

1. The following are incompatible with the proper functioning of the Agreement, in so far 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;

(ii) abuse by one or more undertakings of a dominant position in the territories of the Community or Israel 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. The Association Council shall, within three years of the entry into force of the Agreement, adopt by decision the necessary rules for the implementation of paragraph 1. Until these rules are adopted, the provisions of the Agreement on interpretation and application of Articles VI, XVI and XXIII of the GATT shall be applied as the rules for the implementation of paragraph 1(iii).

3. Each Party shall ensure transparency in the area of public aid, inter alia, by reporting annually to the other Party on the total amount and the distribution of the aid given and by providing, upon request, information on aid schemes. Upon request by one Party, the other Party shall provide information on particular individual cases of public aid.

4. With regard to agricultural products referred to in Title II, Chapter 3, paragraph 1(iii) does not apply.

5. If the Community or Israel considers that a particular practice is incompatible with the terms of paragraph 1 and:

- is not adequately dealt with under the implementing rules referred to in paragraph 2, or
- in the absence of such rules, and if such practice causes or threatens to cause serious prejudice to the interest of the other Party or material injury to its domestic industry, including its services industry,

it may take appropriate measures after consultation within the Association Committee or after 30 working days following referral for such consultation.

With reference to practices incompatible with paragraph 1(iii), such appropriate measures, when the GATT is applicable to them, may only be adopted in accordance with the procedures and under the conditions laid down by the GATT or by any other relevant instrument negotiated under its auspices and applicable to the Parties.

6. Notwithstanding any provisions to the contrary adopted in accordance with paragraph 2, the Parties shall exchange information taking into account the limitations imposed by the requirements of professional and business secrecy.

#### Article 37

1. The Member States and Israel shall progressively adjust any State monopolies of a commercial character, so as to ensure that, by the end of the fifth year following the entry into force of this Agreement, no discrimination regarding the conditions under which goods are procured and marketed exists between nationals of the Member States and Israel.

2. The Association Committee shall be informed about the measures adopted to implement this objective.

#### Article 38

With regard to public undertakings and undertakings to which special or exclusive rights have been granted, the Association Council shall ensure that as from the fifth year following the date of entry into force of this Agreement there is neither enacted nor maintained any measure distorting trade between the Community and Israel to an extent contrary to the Parties' interests. This provision should not obstruct the performance in law or in fact of the particular tasks assigned to those undertakings.

[...]

#### DECLARATIONS BY THE EUROPEAN COMMUNITY

In the framework of the ongoing process of harmonisation of rules of origin applicable between the Community and other third countries, the Community may in future submit to the Association Council the amendments to Protocol 4 that may be necessary.

Declaration by the European Community relating to Article 36

The Community declares that, until the adoption by the Association Council of the implementing rules on fair competition referred to in Article 36(2), in the context of the interpretation of Article 36(1), it will assess any practice contrary to that Article on the basis of the criteria resulting from the rules contained in Articles 85, 86 and 92 of the Treaty establishing the European Community, and, for products covered by the Treaty establishing the European Coal and Steel Community, from those contained in Articles 65 and 66 of that Treaty and the Community rules on State aids, including secondary legislation.