



STATE OF ISRAEL
MINISTRY OF INDUSTRY, TRADE & LABOR
FOREIGN TRADE ADMINISTRATION

AGREED MINUTES

**of the 1st round of negotiations between the Delegations of the
Mercosur States and the State of Israel on the establishment of a
Free Trade Agreement**

The Delegations of the Mercosur States and of the State of Israel met on 15 and 16 February 2006 in Jerusalem to negotiate the establishment of a Free trade area agreement.

Mr Pablo Grinspun headed the delegation from MERCOSUR

Mr Boaz Hirsch headed the delegation from Israel

The list of the participants in both Delegations is attached.

The agreed agenda of the meetings included:

1. Establishment of the Negotiating Committee under Article 4 of the Framework Agreement;
2. Overview on Mercosur's and Israel's trade regime and agreements;
3. Exchange of views on scope and structure of the agreement;
4. Discussion and definition of the Work Program for the negotiating process;

In addition to the information and the views exchanged during the meetings, both sides agreed on the following:

I. Concerning the establishment of the Negotiating Committee:

Both parties agreed on the establishment of a Negotiating Committee under article 4 of the Framework Agreement. The committee comprises the representatives of the Mercosur states on the one hand and the representatives of the State of Israel on the other hand.

Concerning the Structure of the FTA Agreement: II.

Both Parties agreed on the following chapters to form the basic structure of a future agreement:



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Initial Provisions
Trade in Goods: Industrial, Agricultural
Rules of Origin
Customs Procedures
Institutional Provisions
Publication, Notification and Administration of Laws
Disputes Settlement Mechanism
General Provisions (Including Safeguards)
Exceptions
Final Provisions (Including Evolutionary Clause)

It was also agreed that the issues of: Trade in Services, Investments, Government Procurement, Standardization will be discussed in a later stage with a view to further expansion of the agreement.

**Concerning the exchange of information and of texts for III.
the above mentioned chapters:**

The parties agreed that MERCOSUR will provide the following information to Israel (in English):

Norm 54 (regarding customs procedures within Mercosur)
Resolution 1/2004 (regarding rules of origin within Mercosur)

It was agreed that each Party will provide the other Party the following information:

**Standardization Regulation
Trade Statistics**

The parties noted that Israel has sent drafts of the following texts to Mercosur:

Initial Provisions, Trade in Industrial Goods, Institutional Provisions, Publication, Notification and Administration of Laws, Exceptions, Final Provisions* (*Evolutionary Clause will be added).



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The Parties agreed to provide each other by 10.3.2006 all other relevant drafts of texts for the agreement.

Concerning the Schedule of Future Negotiations: IV.

Both parties agreed to the following schedule of meetings and video-conferences:

29-30.3.06 – Video Conference (Agenda to be detailed in article VI)

24 or 25-28.4.06 – 2nd round of negotiations – Buenos-Aires, Argentina

15.5.06 – Video Conference

29-31.5.06 – 3rd round of negotiations – Jerusalem, Israel

12 or 13.6.06 – Video Conference

26-28.6.06 (Optional) – 4th round of negotiations – Buenos-Aires, Argentina

29.6.06 Aiming for signature- MERCOSUR Summit

Video Conferences are to be held at 9:00 a.m. – Buenos-Aires time,
15:00 p.m. Jerusalem time, and to be scheduled to 3-4 hours.

Concerning the work-groups format for future negotiations: V.

Both parties agreed that future negotiations are to be held in five separate work-groups, each for different issues, as follows:

Framework Group: Initial Provisions; Institutional Provisions; 1.
Publication, Notification and Administration of Laws; Exceptions; Final provisions (Including Evolutionary Clause)

Market Access Group: Trade in Industrial, Agricultural Goods (Including 2.
Tariff reductions, NTB's and Mutual concessions)

Customs Group: Rules of Origin; Customs Procedures 3.

Disputes Settlement Group: Disputes Settlement Mechanism 4.

General Provisions Group: General Provisions (Including IP, Anti- 5.
Dumping, Safeguards, Subsidies)



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As members of different groups can overlap, it was agreed that the schedule for each work-group will take human-resource limitations into account.

Concerning the Agenda of the 1st Video-Conference: VI.

Both sides agreed that the agenda for the first video-conference to be held on 29-30.3.06, 9:00 a.m. Buenos-Aires time, 15:00 p.m. Jerusalem time, will include a discussion on the following text:

Initial Provisions
Institutional Provisions
Publication, Notification and Administration of Laws
Exceptions
Final provisions (Including Evolutionary Clause)

The discussion is to be held by the "Framework Group" as established in article V.

Done on February 16th, 2006, in Jerusalem in two original copies in the English language.

**FOR THE MERCOSUR
DELEGATION:**

**FOR THE ISRAELI
DELEGATION:**

(Boaz Hirsch)

A handwritten signature in black ink, appearing to be 'Pablo Grinspun', written in a cursive style.

(Pablo Grinspun)



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