

# **PROTOCOL A**

**REFERRED TO IN SUB-PARAGRAPH 1(b) OF ARTICLE 2**

**PROCESSED AGRICULTURAL PRODUCTS**

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#### PROCESSED AGRICULTURAL PRODUCTS

##### Article 1

The provisions of the Agreement shall apply to the products listed in Table I.

##### Article 2

1. For products listed in Tables II <sup>1</sup>, III <sup>2</sup>, IV, V <sup>3</sup> and VI the respective EFTA State shall accord to Israel the treatment indicated in those Tables.
2. The treatment to be accorded by Iceland is laid down in Table VII. The customs duties are indicated in List 1 and the duties of a fiscal nature in List 2 of the Table. Iceland may, however, replace these duties with other price compensation measures in accordance with Article 4.

##### Article 3

For products listed in Table VIII Israel shall accord to the EFTA States the treatment indicated in that Table.

##### Article 4

1. In order to take account of differences in the cost of the agricultural raw materials incorporated in the goods specified in the Tables II to VI, referred to in Article 2, for which the treatment consists of a variable levy, and in Table VIII, referred to in Article 3, for which the treatment consists of duty free entry or of a variable levy, the Agreement does not preclude:
  - (i) the levying, upon import, of a variable component or fixed amount, or the application of internal price compensation measures;
  - (ii) the application of measures adopted upon export.

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<sup>1</sup> Table II was deleted as Austria ceased to be a Party to the Agreement.  
<sup>2</sup> Table III was deleted as Finland ceased to be a Party to the Agreement.  
<sup>3</sup> Table V was deleted as Sweden ceased to be a Party to the Agreement.

2. The price compensation measures shall not exceed the differences between the domestic price and the world market price of the agricultural raw materials incorporated in the goods concerned.

#### Article 5

1. For products listed in the respective Tables the EFTA States and Israel shall notify all price compensation measures applied under Articles 2, 3 and 4 of this Protocol.

2. The EFTA States and Israel may submit to each other problems in the field of the price compensation measures. Those problems will be promptly discussed by experts from Israel and the EFTA State or States concerned in order to avoid trade distortions that may be derived from the implementation of such measures. If no mutually satisfactory solution has been reached, the Joint Committee shall meet at the request of any of the States concerned.

3. The Joint Committee may set up a working party in accordance with paragraph 5 of Article 27 of the Agreement to assist it in finding an appropriate solution to the problem. It shall be composed of experts from the States Parties to this Agreement responsible for questions related to price compensation measures.

#### Article 6

The EFTA States and Israel shall review at two-yearly intervals the development of their trade in products covered by this Protocol. A first review shall be held before the end of 1996.<sup>4</sup> In the light of these reviews and taking into account the arrangements between the Parties and the European Economic Community in this field and the results of the Uruguay Round of Multilateral Trade Negotiations, the EFTA States and Israel shall decide on possible changes to the product coverage of this Protocol as well as on a possible development of the rules concerning price compensation systems.

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<sup>4</sup> Article 6 of Protocol A was amended by Joint Committee Decision No. 3 of 1993 (11 and 12 November 1993), and Joint Committee Decision No. 1 of 1996 (13 February 1996).