

AGREED MINUTES

of the 2nd Round of Negotiations between Mercosur and the State of Israel on the establishment of a Free Trade Agreement

The Delegations of the Mercosur States Parties and the State of Israel met on 25 to 28 of April 2006 in Buenos Aires to negotiate the establishment of a Free Trade Agreement.

Ms Merav Gonen headed the delegation from Israel

Mr Felipe Alvarez de Toledo headed the delegation from MERCOSUR

The list of the participants in both Delegations is attached in Annex I.

The agreed agenda of the meetings included:

1.- –“Framework Working Group”. Discussion on texts worked in the videoconference of March 29 . MERCOSUR will send a new proposal for Art. 5 of Final Provisions and Art. 2 of Exceptions. All these texts are attached in Annex II.

2.- Establishment of the following working Groups:

2.1. Rules of Origin:

Both Parties drafted a single document containing the first sixteen Articles of the Annex on Rules of Origin. Some specific points identified between brackets remain pending.

The second part of the Annex, which deals with customs procedures contains proposals of both sides, the text of which has not been agreed upon. The sides exchanged points of view on these texts.

Based on the counter- proposal sent by Israel, MERCOSUR shall forward its comments to Israel in order to discuss them in the next video-conference.

The draft text is attached as Annex III

2.2. Dispute Settlement

After a general discussion about the differences between the Israel and MERCOSUR proposals, both texts were analyzed and a common draft was produced. In certain areas the group reached preliminary agreements. This text shall be the basis for further discussions. The text is included as Annex IV.

2.3. Market Access. (General Provisions and Trade in Goods).

Both Delegations discussed preliminary texts (Annex V) and agreed to exchange proposals in order to discuss them on the next Videoconference (Annex V).

It was also agreed to exchange preliminary request lists for agriculture and industrial goods.

Safeguards: The technical group made general comments to the text submitted by Israel at this Meeting. This text aims at consolidating the proposals that both Parties submitted previously in a preliminary way.

3.- Exchange of Information:

Both Delegations exchanged the following information:

Israel to Mercosur:

Import statistics of commerce with EU, US, rest of the world.

Mercosur to Israel:

Statistics of Commerce

Decision CMC 54/04 and Decision CMC 01/04

Standardization Regulation

Israel will send Export Statistics

4.- Concerning the Schedule of Future Negotiations

11 of May : Israel proposal on Safeguards. Mercosur proposal on Rules of Origin. Exchange of texts on General Provisions.

15 or 16 of May: Videoconference.

15 of May: Israel Revised Proposal on Dispute Settlement.

17 of May: Exchange of Lists of Agriculture Products

22 of May: Mercosur comments on Safeguards.

24 of May: Exchange of Lists of Industrial Products. Mercosur comments on Dispute Settlement.

28 to 31 of May: 3rd Round of Negotiations in Jerusalem, Israel

5.- Concerning the Agenda of the 2nd Video-Conference

Both sides agreed that the agenda for the second video-conference to be held on 15 or 16 May.06, 9:00 a.m. Buenos Aires time, 15:00 pm Jerusalem time, will include the discussion on the following texts:

General Provisions

Rules of Origin

SPS

Done on April 28, 2006, in Buenos Aires in two original copies in the English language.

**FOR THE MERCOSUR
DELEGATION:
Mr. Felipe Alvarez de Toledo**

**FOR THE ISRAELI
DELEGATION:
Ms. Merav Gonen**