

Annex 2.1.1

1. Each Party agrees to phase out by July 1, 1999, the Most Favoured Nation rate of duty in effect on January 1, 1996 on the goods listed below, by the following percentages of those rates:

- | | | |
|----|-----------------|-----|
| a) | January 1, 1997 | 10% |
| b) | July 1, 1997 | 30% |
| c) | July 1, 1998 | 30% |
| d) | July 1, 1999 | 30% |

Canada

Women's or girls' swimwear in tariff items:

6112.41.00
6112.49.00
6211.12.00

Israel

Woven cotton fabric in tariff items:

5209.32.00
5209.39.00
5209.42.00

2. Article 2.1(2) does not apply to goods provided for in headings 35.01 and 35.02.