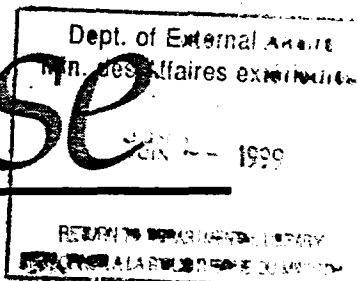# News Release

July 31, 1996

CANADA AND ISRAEL SIGN FREE TRADE AGREEMENT

The Honourable Art Eggleton, Minister for International Trade, and the Minister of Industry and Trade of the State of Israel, Natan Sharansky, today signed the Canada-Israel Free Trade Agreement.

"This agreement symbolizes the direction Canada is taking to further liberalize trade in order to stimulate exports and, in turn, create jobs for Canadians," said Mr. Eggleton. "It will put Canadian exporters on an equal footing with their U.S. and European competitors, who have had the benefit of free trade agreements with Israel."

The following are the main elements of improved market access in the Agreement:

- Tariffs will be removed from industrial products of Canadian or Israeli origin beginning January 1, 1997. Only women's swimwear, at Canada's request, and certain cotton fabric, at Israel's request, will continue to be subject to tariffs, although these tariffs will be phased out over the first two and a half years.

- Duty-free access or low duties will be applied to a variety of agricultural and fisheries products exported by both countries. For Canada, such items include grains, grain products, beef, maple sugar, alcoholic beverages and various processed foods. Both sides have excluded dairy, poultry and egg products. Renewed discussions are to be held within two years, however, with the aim of further liberalizing agri-food trade.

To resolve any disputes under the Agreement, both countries have agreed to be governed by a binding dispute settlement process.

The next step will be to initiate the implementation process on each side, including the passage of any necessary legislation. If the implementation process is complete on both sides by the end of this year, the Agreement will take effect January 1, 1997.

■✦■ Government   Gouvernement
of Canada   du Canada

Canada