

2. The objectives of the present Agreement are:

- (a) to promote through the expansion of mutual trade the harmonious development of economic relations between the Parties;
- (b) to provide fair conditions of competition for trade between the Parties;
- (c) to contribute in this way, by removal of barriers to trade, to the harmonious development and expansion of world trade;
- (d) to enhance co-operation between the Parties in areas which are of mutual interest to the Parties.

CHAPTER I INDUSTRIAL PRODUCTS

Article 2 Scope

1. The provisions of this Chapter shall apply to industrial products originating in the State of Israel or in the Republic of Bulgaria.
2. For the purpose of this Agreement the term "industrial products" means products falling within Chapters 25 to 97 of the Harmonized Commodity Description and Coding System, with the exception of the products listed in Annex I.

Article 3 Basic Duties

1. The Customs Tariff of the Republic of Bulgaria shall be applied to the classification of goods imported into the Republic of Bulgaria. The Customs Tariffs of the State of Israel shall be applied to the classification of goods imported into the State of Israel.
2. For each product the basic duty to which successive reductions set out in this Agreement are to be applied shall be the most favoured nation duty applicable by the Parties on the day before the date of entry into force of this Agreement.
3. If after this date any tariff reduction is applied on an erga omnes basis in particular, reductions resulting from tariff agreements under the Uruguay Round of the GATT 1994 and the Agreement establishing the WTO, the reduced duties shall replace the basic duties under paragraph 2 from the date of application of the reduction.
4. The reduced duties calculated in accordance with paragraph 2 shall be applied rounded to the first decimal place or in case of specific duties, to the second decimal place.
5. The Parties shall communicate to each other their respective basic duties.

Article 4

Customs Duties On Imports

1. No new customs duties on imports shall be introduced, nor shall those already applied be increased, in trade between the Parties as from the date of entry into force of this Agreement.
2. Customs duties on imports applied in the Republic of Bulgaria on products originating in the State of Israel, other than those specified in Annex II, shall be abolished from the date of entry into force of this Agreement.
3. Customs duties on imports applied in the Republic of Bulgaria on products originating in the State of Israel, specified in Annex II, shall be progressively abolished in accordance with the timetable provided in that Annex.
4. Customs duties on imports applied in the State of Israel on products originating in the Republic of Bulgaria, other than those specified in Annex III, shall be abolished from the date of entry into force of this Agreement.
5. Customs duties on imports applied in the State of Israel on products originating in the Republic of Bulgaria, specified in Annex III, shall be progressively abolished in accordance with the timetable provided in that Annex.

Article 5

Charges Equivalent To Duties

1. No new charges having an effect equivalent to customs duties on imports shall be introduced in trade between the Parties.
2. All charges having an effect equivalent to customs duties on imports shall be abolished on the date of the entry into force of this Agreement.

Article 6

Fiscal Duties

The provisions of Article 4 shall also apply to customs duties of a fiscal nature.

Article 7

Customs Duties On Exports And Charges Having Equivalent Effect

1. No new customs duties on exports or charges having equivalent effect shall be introduced in trade between the Parties.
2. The Parties shall abolish between them on the date of entry into force of this Agreement all customs duties on exports and charges having equivalent effect.

Article 8

Quantitative Restrictions On Exports And Measures Having Equivalent Effect

1. No new quantitative restrictions on exports or measures having equivalent effect shall be introduced in trade between the Parties from the date of entry into force of this Agreement.
2. All quantitative restrictions on exports from the Parties and measures having equivalent effect shall be abolished on the date of the entry into force of this Agreement.

Article 9

Quantitative Restrictions On Imports And Measures Having Equivalent Effect

1. No new quantitative restrictions on imports or measures having equivalent effect shall be introduced, in trade between the Parties from the date of entry into force of this Agreement.
2. All quantitative restrictions and measures having equivalent effect on imports shall be abolished by the Parties on the date of entry into force of this Agreement.

CHAPTER II

AGRICULTURAL PRODUCTS

Article 10

Scope

1. The provisions of this Chapter shall apply to agricultural products originating in the State of Israel or in the Republic of Bulgaria.
2. For the purpose of this Agreement the term "agricultural products" means products falling within Chapters 1 to 24 of the Harmonized Commodity Description and Coding System, and the products listed in Annex I.

Article 11

Exchange Of Concessions

1. The Parties declare their readiness to foster, in so far as their agricultural policies allow, the harmonious development of trade in agricultural products, and to discuss this issue periodically within the Joint Committee.
2. In pursuance of this objective, the Parties shall grant each other the concessions specified in Protocol A, in accordance with provisions of this Chapter and those laid down in that Protocol.
3. Taking account of: