

CHAPTER II

GENERAL PROVISIONS

Article 1 - National Treatment

1. Each Signatory Party of MERCOSUR or, wherever applicable, MERCOSUR shall accord national treatment to the goods of Israel and Israel shall accord national treatment to the goods of each Signatory Party of MERCOSUR or, wherever applicable, MERCOSUR in accordance with Article III of GATT 1994, including its interpretative notes. To this end, Article III of GATT 1994 and its interpretative notes, or any equivalent provision of a successor agreement to which each Signatory Party of MERCOSUR and Israel are parties, are incorporated into and made part of this Agreement.

2. The Signatory Parties agree, in accordance with their constitutional rules and their internal legislation, to comply with the provisions of paragraph 1 in their territory at federal, provincial, state or any other territory subdivision.

Article 2 - Customs Unions, Free Trade Areas and Frontier Trade

1. This Agreement shall not prevent the maintenance or establishment of customs unions, free trade areas or arrangements for frontier trade which are in accordance with the provisions of Article XXIV of the GATT 1994 and with the Understanding on the Interpretation of Article XXIV of the GATT 1994, as well as, for MERCOSUR, those trade agreements established under the "Enabling Clause" (Decision L/4903, adopted on 28 November 1979) of GATT 1994.

2. Upon request, consultations between the Parties shall take place within the Joint Committee in order for the Parties to inform each other on agreements establishing customs unions or free trade areas and, where required, on other major issues related to their respective trade policy with third countries.

Article 3 - Antidumping, Subsidies and Countervailing Measures

In the application of antidumping or countervailing measures and with respect to subsidies, the Signatory Parties shall be governed by their respective legislation, which shall be consistent with the WTO Agreement.

Article 4 - Agreement on Agriculture

The Signatory Parties reaffirm their obligations pursuant with the WTO Agreement on Agriculture.

Article 5 - State Trading Enterprises

Each Signatory Party shall ensure that any State Trading Enterprise it maintains or establishes acts in a manner consistent with the provisions of Article XVII of GATT 1994.

Article 6 - Payments

1. Payments in freely convertible currencies relating to trade in goods between the Signatory Parties and the transfer of such payments to the territory of a Signatory Party, where the creditor resides, shall be free from any restrictions.
2. Notwithstanding the provisions of paragraph 1, any measures concerning current payments connected with the movement of goods shall be in conformity with the conditions laid down under Article VIII of the Statutes of the International Monetary Fund.

Article 7 - Competition Policy

Subject to its laws, regulations and decisions regarding competition, each Signatory Party shall accord to the individuals and companies of the other Party such treatment as necessary to the pursuit of their activities under this Agreement. This Article shall not be subject to Chapter XI (Dispute Settlement) of this Agreement.



Article 8 - Restrictions to Safeguard the Balance of Payments

1. Nothing in this Chapter shall be construed to prevent a Signatory Party from taking any measure for balance-of-payments purposes. Any such measures adopted by a Signatory Party shall be in accordance with Article XII of GATT 1994 and the Understanding on the Balance-of-Payments provisions of GATT 1994, which shall be incorporated into and made a part of this Agreement.
2. The Signatory Party concerned shall promptly notify the other Party of the measures applied pursuant to paragraph 1.
3. In applying temporary trade measures as described in paragraph 1, the Signatory Party in question will accord treatment no less favourable to imports originating in the other Party than to imports originating in any other country.

Article 9 - Investments and Trade in Services

1. The Parties recognize the importance of the areas of investments and trade in services. In their efforts to gradually deepen and broaden their economic relations, they will consider in the Joint Committee the possible modalities for opening negotiations on market access on investments and trade in services, on the basis of the GATS framework as applicable.
2. In order to broaden reciprocal knowledge about trade and investment opportunities in both Parties, the Signatory Parties shall stimulate trade promotion activities such as seminars, trade missions, fairs, simposia and exhibitions.

Article 10 - Customs Cooperation

The Parties commit themselves to developing customs cooperation to ensure that the provisions on trade are observed. For this purpose they shall establish a dialogue on customs matters and provide mutual assistance in accordance with the provisions of Annex 1 of the Agreement (Mutual Assistance in Customs Matters).

