

12. (EU) EU/ISRAEL: Considerable progress in bilateral relations is call for satisfaction despite some “friction”, mainly regarding Middle East

*Luxembourg, 13/06/2006 (Agence Europe)* - The 6th session of the EU-Israel Association Council held in Luxembourg on 13 June allowed the intensity of the links with this country to be measured with satisfaction, not only at the economic level but also at the technical, scientific and political levels, especially in the fight against terrorism and its sources of funding, the EU noted. It mainly stressed that it had established “channels” of consultation and dialogue with this country in order to reduce any “points of friction”, not only as part of cooperation but also in assessing the situation in the Middle East.

The EU informed Israel of the proposal for establishing a temporary international mechanism (TIM) for aid to the Palestinians, urging it to pledge to contribute to making it work as it should. It also urged Israel to resume without delay the transfers of Palestinian tax receipts and customs duties that it has been holding back. Furthermore, it calls on Israel to put an end to all activity in the Palestinian territories, especially the creation and extension of the settlements there, the building of the separation wall on Palestinian land and also the demolition of Palestinian homes, conducted in breach of international law and threatening to make any solution based on the coexistence of the two States materially impossible. The EU recalled its stance that the establishment of overall peace in the Middle East should also include a lasting solution to the conflict between Israel and Syria, and between Israel and Lebanon.

There was also satisfaction with regard to cooperation in combating terrorism. The Austrian EU Presidency stressed the need to develop dialogue and cooperation for combating the proliferation of weapons of mass destruction and stressed its “*determination*” to make the Middle East a zone that is free of such weapons. No explicit reference to the arsenal of the allied country, however, was officially made. The case of Iran was openly tackled and the EU stressed that it remains resolved to find a diplomatic solution to the issue. Also, the EU stated its resolve to combat, with Israel, all forms of racism and xenophobia, including anti-Semitism and Islamophobia.

Generally speaking, the EU Council Presidency was delighted by the quality of the relations established under the Association Agreement and enriched one and a half years ago by the signing of an action plan under European Neighbourhood Policy. In this context, bilateral relations have made considerable headway. Talks have begun on liberalisation of the services trade, and others are foreseen on farm trade and fisheries. The setting in place of a dispute settlement mechanism applicable to the commercial field and on norms and procedures for assessing conformity is under way. Israel will soon begin talks relating to its participation in the seventh framework programme for research and development. The Commission has already suggested that Israel be allowed to take part in the framework programme for competitiveness and innovation and in several other upcoming Community programmes. Israel also takes part in the Galileo programme.

The EU is pleased to note that progress has been made in the field of justice and home affairs. Israel calls for the status of “active observer” at Europol and for participation in the Council of Europe Select Committee of Experts on the Evaluation of Anti-Money Laundering Measures (Moneyval). A first EU-Israel seminar will be devoted to combating terrorism funding.

At the economic level, the EU notes the good results of the Israeli economic recovery in 2005, after the recession of 2001-2003. Israel is one of the main EU trading partners in the Euromed zone. Farm produce makes up a large part of bilateral trade, and the year 2005 was a beneficial year for enhancing EU/Israel trade relations.