

JEC 3rd Meeting 16 June 2008-06-18

Agenda Items:

1. The Bethlehem Investors Conference – Report by the PA
2. Industrial Areas – Report by the PA (Specifically Jenin Industrial Area)
3. Assistance Steps to the Palestinian Civilians – Report by COGAT
4. Palestinian Customs at Allenby Bridge
5. The Proposed Israeli Levy on Palestinian Workers
6. Palestinian Application for Observer Status of the World's Customs Organization
7. Reimbursement of Insurance Claims on Repossessed Stolen Cars

Participants:

Palestinians:

1. Dr. Karim Nashashibi, Economic Adviser PMO
2. Dr. Naser Jaber Rayyan
3. Mr. Hatem Yousef, Head of Palestinian Customs
4. Mr. Ja'far Heidib, DG Investments Board
5. Miss Amal Husein, Legal Adviser Ministry of Finance
6. Adv. Bader Rock, Legal Adviser NSU

Israelis:

1. Mr. Yaroum Arriav, DG Ministry of Finance
2. Dr. Shavit Matyas, Deputy Government Legal Adviser
3. Lt. Col. Baruch Persky, Head of Economic Branch COGAT
4. Mrs. Irit Ben Abba, Head of Berau Middle Eastern Economic Affairs MOFA
5. Mr. Reuven Meltzer, Senior Chief Coordinator MOF
6. Mr. Gabby Bar, Senior Regional Director Ministry of Industry and Trade
7. Other Advisers and heads of units in the Israeli Government

Meeting Summary:

1 - The Bethlehem Investors Conference:

Both Dr. Nashashibi and Mr. Ja'far gave a thorough report regarding the conference and the achievements made. They thanked the Israeli side for the good coordination and facilitation on the Israeli side. Both stressed the need to continue with the coordination with the Israeli side to allow the investors to follow up their commitments and investments by issuing multiple entry VISA and resident permits for eligible investors. Expressed interest in holding new conferences in the near future. The Israeli side expressed satisfaction from the success of the conference and promised to extend the coordination and cooperation with the Palestinian side to allow follow up and holding of similar conferences in the future for the benefit of both sides.

2- Industrial Areas:

Dr. Naser and Mr. Ja'far gave presented the state of play on the different Industrial Areas – Jericho, Tarkumya and Jenin as well as on new municipal Industrial Areas and answered questions by the Israeli side. The Israeli side expressed concern regarding the slow developments in the Jenin Industrial Area. Both sides agreed to prepare work plans detailing the tasks that need to be taken by each side to allow for the establishment of the Area and discuss them in the JEC next meeting.

3- Assistance Steps to the Palestinian Civilians – Report by COGAT:

Lt. Col. Persky briefed on new steps taken by COGAT to assist the Palestinian Civilians which included increasing the number of work permits for Palestinians in Israel and settlements to 44,000 (from 33,000) and granting facilitation for prayers at the Al Aqsa Mosque for men over 55 and women over the age of 45.

4- Palestinian Customs at Allenby Bridge:

Mr. Yousef raised again the PA request to post Palestinian Customs at the Allenby Bridge in accordance with the Paris Protocol. The Israelis refused to discuss this issue as they claimed it to be outside the mandate of the JEC, however, promised to notify the Israeli Government of this request.

5- The Proposed Israeli Levy on Palestinian Workers :

The Israeli Ministry of Finance proposed to the Israeli Government applying an added tax of 2,500 NIS on Palestinians working in Israel. Dr. Nashashibi and Adv. Rock presented the PA position which opposes the new tax and explained why it would be illegal for Israel to install such a new tax according to the Paris Protocol. The Israeli side said that this was only a proposal which will be reconsidered given the Palestinian opposition.

6- Palestinian Application for Observer Status of the Worlds Customs Organization:

Mr. Yousef requested the Israeli Customs Authority to support the PA Customs Authority application to gain observer status in the WCO. Mr. Aryav explained that although Israel would support the Palestinian application to receive technical assistance from the WCO both sides should support similar application by the other side to join international organization – referring to the OECD letter.

7- Reimbursement of Insurance Claims on Repossessed Stolen Cars:

A large number of confiscated stolen cars were returned by the PA to Israel. However, Israel did not reimburse the PA for the insurance claims deducted over the years from the Customs collected by Israel on behalf of the PA. Mr. Yousef raised the need for the GOI to immediately reimburse the PA for those claims. The Israeli side agreed to form a sub committee to deal with the issue.