

## FACT SHEET

The European Commission has adopted on 11 November 2015 an interpretative notice on the indication of origin of goods from the territories occupied by Israel since June 1967.

The interpretative notice is not new legislation, it clarifies certain elements linked to the interpretation and the effective implementation of existing EU legislation. It aims to provide Member States, economic operators and consumers with the necessary information on the indication of origin of products when it comes to products originating in Israeli settlements beyond Israel's 1967 borders.

Through this interpretative notice, the EU continues to ensure that EU legislation applies to Israel within its internationally recognised, i.e. pre-1967 borders. This has been a strong and recurrent demand from EU Member States to the Commission since 2012. No preferences or other trade facilitation measures under EU legislation or agreements apply to goods originating in Israeli settlements in the West Bank and the Golan Heights.

In a nutshell, the interpretative notice recalls that when the indication of origin is mandatory, i.e. explicitly required by the relevant provisions of EU law, it must be correct and not misleading. When the indication of origin is not mandatory but it is provided on a voluntary basis, the information must also be correct and not mislead the consumer.

The interpretative notice also recalls that, in any case, in accordance with EU consumer protection legislation, indication of origin becomes mandatory when the omission of that information would mislead the consumer as to the true origin of the product or when such omission causes or is likely to cause the average consumer to take a transactional decision that he would not have taken otherwise. It is up to the authorities of each Member State to decide when this is the case.

The EU legislation on indication of origin is very clear: "Made in Israel" used for the products coming from Israeli settlements would mislead the consumer and therefore is inconsistent with existing EU legislation. The interpretative notice provides some examples of indications of origin which could be used instead.

The implementation of these rules will remain in the hands of national enforcement authorities.

The EU has a privileged trading relationship with Israel which is based on the Association Agreement. Under this agreement, products originating in Israel benefit from preferential tariff treatment upon their entry into the European Union. Products from Israeli settlements exported into the EU do not benefit from any preferential trade treatment. This situation will remain unchanged.

## **Questions and Answers**

### **Why is the Commission doing this now?**

The interpretative notice provided by the Commission is about the implementation of EU legislation. As guardian of the Treaties the Commission veils for the correct implementation of EU legislation, independently of any political developments.

There has been a general call from Member States since 2012 in different Foreign Affairs Council conclusions for the Commission to provide guidance at EU level on how to implement existing EU legislation and ensure transparency in the information provided to EU consumers as required by EU law. Commission has also received calls for issuing such guidance from the European Parliament and civil society in the EU.

### **What is the current situation? Does any Member State label products originating from the settlements?**

Since 2009 the UK implements voluntary guidelines for food produce which distinguishes West Bank produce made in Israeli settlements from Palestinian West Bank produce. Similar guidelines have been put in place by Denmark (2013) and Belgium (2014). Other Member States also announced that they would take similar measures, but have decided to wait for guidance at EU level instead.

### **What Israeli exports are subject to mandatory or voluntary rules on indication of origin?**

Mandatory indication of origin applies notably to fresh fruit and vegetables, wine, honey, olive oil, eggs, poultry, organic products and cosmetics. Voluntary indication of origin applies inter alia to pre-packaged foodstuffs and the majority of industrial products.

### **Does the notice suggest a specific wording to be used as indication of origin?**

The notice is clarifying which indications are incorrect and misleading, for example 'product from Israel' should not be used for products from the Golan Heights or the West Bank (including East Jerusalem).

For products from West Bank or the Golan Heights that originate from settlements, an indication limited to 'product from Golan Heights' or 'product from West Bank' would not be acceptable. In such cases the expression 'Israeli settlement' or equivalent needs to be added, in brackets, for example. Therefore expressions such as 'product from the Golan Heights (Israeli settlement)' or 'product from West Bank (Israeli settlement)' could be used.

For products from Palestine that do not originate from settlements, an indication of origin could be 'product from Palestine' or 'product from West Bank (Palestinian product)'.

### **What happens for products for which indication of origin is voluntary?**

The notice recalls that when the indication of origin is provided on a voluntary basis, the information must also be correct and not mislead the consumer.

Furthermore, according to EU consumer protection legislation, indication of origin becomes mandatory for all products when the omission of the information causes or is likely to cause the average consumer to decide to make a transaction that he would not have done otherwise. This evaluation will be in the hands of each Member State.

### **Who's in charge of checking the correct implementation of legislation on indication of origin, the Commission or Member States?**

This is the competence of Member States.

### **Will the notice be binding for Member States?**

This notice does not create any new legislative rules. While it reflects the Commission's understanding of the relevant EU legislation, enforcement remains the primary responsibility of Member States. The Commission ensures, as guardian of the Treaties, compliance with these obligations of Member States. The Notice is without prejudice to the interpretation which the Court of Justice may provide.

**Is this a first step to boycott products from the settlements?**

The EU does not support any form of boycott or sanctions against Israel. The EU does not intend to impose any boycott on Israeli exports from the settlements. The Commission will only help Member States to apply already existing EU legislation. The indication of origin will give consumers the possibility to make an informed choice.

**What's the total trade volume/value between the EU and Israel? What %/€ volume of the total of Israeli exports to the EU originate in the settlements?**

The EU is the first trading partner for Israel with total trade amounting to approximately €30 billion in 2014. EU imports from Israel accounted for around €13 billion and EU exports to Israel reached around €17 billion.

The Commission does not have official statistics relating to imports of products from Israeli settlements. According to several estimates, these products represent a fraction of the total Israeli exports to the EU and less than 1% of the total trade.