ANNEX 6

Construction Services

Threshold:	For entities listed in Annex 1:	8,500,000 SDR; Starting from the sixth year after coming into force for Israel of the revised GPA: 5,000,000 SDR;
	For entities listed in Annexes 2 and 3:	8,500,000 SDR

List of construction services covered

CPC	*Description*
511	Pre-erection work at construction sites
512	Construction work for buildings
513	Construction work for civil engineering
514	Assembly and erection of prefabricated construction
515	Special trade construction work
516	Installation work
517	Building completion and finishing work
518	Renting services related to equipment for construction

ANNEX 7

General Notes

1. The Agreement shall not apply to procurement awarded for purposes of re-sale or hire to third parties, provided that the procuring entity enjoys no special or exclusive right to sell or hire the subject of such and other entities are free to sell or hire it under the same conditions as the procuring entity.

2. The Agreement shall not apply to procurement for the purchase of water and for the supply of energy and of fuels for the production of energy.

NOTE

Offset

Having regard to general policy considerations Israel may operate provisions which require the limited incorporation of domestic content, offset procurement or transfer of technology, in the form of objective and clearly defined conditions for participation in procedures for the award of procurement, which do not discriminate between other Parties.

This shall be done under the following terms:

(a) Israel shall ensure that its entities indicate the existence of such conditions in their tender notices and specify them clearly in the contract documents.

(b) Suppliers will not be required to purchase goods that are not offered on competitive terms, including price and quality, or to take any action which is not justified from a commercial standpoint.

(c) Upon entry into force for Israel of the revised GPA, for procurement above the threshold of 3 million SDR, offsets in any form may be required up to 20 per cent of the contract.

(d) Starting from the sixth year after coming into force for Israel of the Agreement, for procurement above the threshold of 3 million SDR, offsets shall no longer be applied by entities covered under Annexes 1, 2 and 3, excluding the following entities which will continue requiring offset up to 20 per cent of the contract, until the beginning of the ninth year, after which they will apply offset up to 18 per cent:

Annex 1

Ministry of Agriculture and Rural Development
Ministry of Construction and Housing
Ministry of National Infrastructures excluding Fuel Authority
Ministry of Finance
Ministry of Health
Ministry of the Interior
Ministry of Transport

Annex 2

Local Government Economic Services Ltd.

Annex 3

Israel Airports Authority
Israel Ports Development and Assets Company Ltd.
Association of Better Housing
Ashod Port Company Ltd.
Haifa Port Company Ltd.
Eilat Port Company Ltd.
Arim Urban Development Ltd.