

PROTOCOL
of the second session of the
Joint Moldovan-Israeli Commission on Trade and Economic
Cooperation

The second session of the Joint Moldovan-Israeli Commission on Trade and Economic Cooperation, (hereinafter referred as the "Commission") was held in Chisinau on October 17, 2007.

The Moldovan Side of the Commission was headed by Mr. Artur Cozma, Minister of Culture and Tourism, Chairman of the Moldovan Side of the Commission. The Israeli Side of the Commission was headed by Mr Yitzhak Aharonovitch, Minister of Tourism, and Chairman of the Israeli Side of the Commission.

The lists of the members of the Moldovan and Israeli delegations are attached to this Protocol, Appendix I and II.

The Sides noted that the main purpose of the second session of the Commission is to promote bilateral activities with the aim of enhancing and intensifying the mutual cooperation between the Republic of Moldova and the State of Israel.

During the session of the Commission, the Sides conducted a mutual exchange of information on the trade and economic situation in both countries and discussed the prospects regarding the development of trade and economic cooperation.

The Sides adopted the following Agenda of the Commission:

- 1. Presentation of the economic situation in the Republic of Moldova and the State of Israel.**
- 2. Overview of the bilateral trade between Moldova and Israel.**
- 3. Prospects for cooperation in the following fields:**
 - industry,
 - agriculture and wine,
 - standardization and metrology,
 - information development,
 - tourism,
 - culture,

- finance,
- construction matters,
- environment

4. Development of agreements between the Sides.

5. Dates of the next session of the Moldovan-Israeli Joint Commission.

1. Presentation of the economic situation in the Republic of Moldova and the State of Israel.

The Sides exchanged information on the current economic situation in the Republic of Moldova and, in the State of Israel.

The Moldovan Side informed of the current economic trends and highlighted the measures undertaken in order to strengthen the market economy. It also presented the main macroeconomic data, mentioning the factors that are influencing the development of bilateral economic relations. It was mentioned, in particular, that in six month of 2007 the GDP growth was 8,0%, and the inflation registered a 5,0% increase, due to the raising of the prices for medicine, fuel and gas tariffs. The FDI for six moth of the 2007 constituted about 76,7 million U.S.D, and the total foreign trade of the Republic of Moldova for six month of the 2007 was 2 200,5 million U.S.D. that registered a growth of 13,5% compared with the previous year.

2. Bilateral trade between the Republic of Moldova and Israel:

The two Sides discussed the state of their bilateral economic relations, which they characterized as healthy. However, the Sides agreed that the existing potential is not fully realized.

According to the information presented by Moldovan Side, in six month of the 2007 the amount of trade between the Republic of Moldova and the State of Israel was 7,9 million U.S.D., which represents an increase by 58,4% compared with the previous year. The Moldovan export of products to Israel was 696, 4 thousand U.S.D., 25,7% more compared to 2006. The imports were 7256,5 thousand U.S.D., an increase of 62,5% compared with the previous year.

The two Sides agreed that further efforts are needed to enhance economic relations between the two countries, in particular trade in goods and services as well as investment and to increase the participation of the private sector in both countries, in particular of the smaller and medium-sized enterprises.

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3. Prospects of cooperation in the following fields:

3.1. Industry

In order to develop mutual cooperation in the industrial field between the Republic of Moldova and the State of Israel, the Sides agreed upon the following:

Identification of industrial and energy strategic sectors and examination of the possibilities for establishment of joint ventures in such sectors as: light industry, machinery, electronics, and glassware.

The Moldovan Side mentioned its interest in attracting Israeli companies to participate in implementation of different investment projects.

After approving the new legal framework of settlement of the touristic activity in the Republic of Moldova, by which it was established fiscal facilities to creation of the National Touristic Zones, the Moldovan Side proposed to Israeli authorities to encourage the participation of the Israeli investors in creation of respective Zones.

The Moldovan Side expressed its deep interest in promotion and commercialization of industrial products on the Israeli market.

3.2. Agriculture and Wine

The Israeli side wishes to reiterate its understanding and awareness to the current severe drought situation that seriously affected the agricultural sector and the economy at large.

In this context the parties held meetings and are examining activities to follow up on some joint technical cooperation in the field of; Water Resource Development and Irrigation, and Agricultural Risk Insurance.

The Sides made a short presentation of the current situation of the agriculture sector in both their countries and confirmed their mutual interest in strengthening bilateral cooperation in this field.

The Sides decided to make every effort in order to launch joint projects in such sectors as: processing of fruits and vegetables, greenhouses, packing facilities, poultry. In addition to further enhance cooperation in the field of Organic Agriculture with special reference to the involvement of the private sector of both countries.

The Sides agreed to intensify information exchanges regarding legislation on trade and economy, export-import figures, organization of exhibitions, seminars and economic forums in both countries.

3.3. Standardization, Metrology and Conformity Assessment

The Sides reviewed current cooperation in standardization, metrology and conformity assessment.

The Sides agreed to intensify cooperation in the fields of standardization, metrology and conformity assessment which will contribute to the enhancement of economic and commercial relations and reduce technical barriers to the mutual trade between the two countries.

The Commission notes positively the actions of both Sides towards the implementation of the Agreement on Cooperation in the Fields of Standardization, Metrology and Conformity Assessment between Israel and Moldova, signed at the first session of the Joint Moldova-Israeli Intergovernmental Commission for Cooperation in Trade and Economics.

The Sides expressed their interest in developing cooperation in the following areas:

- Creation and introduction of up-to-date products control and testing procedures and methods.
- Creation and organization of joint production of high-accuracy measurement instruments and certificated reference materials.
- Mutual certification of quality management systems on the premises of the exporting enterprises.
- Experience exchange in market monitoring and consumers protection.
- Training and retraining of specialists in the above mentioned areas.

3.4. Telecommunications and Information Technologies

In order to develop mutual cooperation in the field of telecommunications and information between the Republic of Moldova and the State of Israel, the Sides agreed upon the following:

To organize the exchange of data concerning mutual telecommunication markets, in particular on the following issues: cellular, television and satellite communication, telephone lines, Internet and broadband.

To examine the possibilities for cooperation in the telecommunication spheres, including modern telecommunication equipment, the modernization of communications networks, and the use of modern technology of satellite communications.

To cooperate and coordinate their actions during the ITU-R WRC-07 Conference that will be held on October 22-November 16, 2007 in Geneva, for the benefit of their mutual interests in the field of radio-communication.

To initiate relationships of cooperation in the field of building Information Society, especially referring to creation of e-government and rendering of electronic services.

3.5 Culture

In order to develop cooperation between their countries in field of culture, the Sides agreed on the following:

The possible organization of an Israeli contemporary art exhibition in Chisinau and respectively, of a Moldovan contemporary art exhibition in Israel.

Examination of the possibilities regarding the organization of training courses for young Moldovan producers within the Israeli public theatres;

The possible participation of Israeli artists in international festivals such as: "Martisor" and "Ethno-Jazz", International Contest "Madame Butterfly".

3.6 Tourism

In order to develop cooperation between their countries in the field of tourism, the Sides agreed on the following:

Providing consultative assistance to the National Tourism Administration of Moldova in order to facilitate their participation in fairs and exhibitions held in Israel.

Participation of Moldovan government tourism officials, through scholarships, in training courses organized by the Ministry of Foreign Affairs Center for International Cooperation (MASHAV).

Encouraging the participation of Israeli tour operators in the Tourism Leisure Hotels – 2008 exhibition, held in Chisinau.

After approving the new legal framework of settlement of the touristic activity in the Republic of Moldova, by which it was established fiscal facilities to creation of the National Touristic Zones, the Moldovan Side proposed to Israeli authorities to encourage the participation of the Israeli investors in creation of respective Zones.

The Moldovan Side proposed to the Israeli Side to examine the possibilities to assure the free of charge display of such movies as: “Moldova – a new tourist's destination”, “Wine Road in Moldova” on the Israeli TV channels.

3.7 Finance

The Sides overviewed the latest developments in the financial sector and noted the growing interest for mutual cooperation in this field.

The Sides agreed to assure the mutual exchange of information and to encourage the financial institutions from both countries to extend their bilateral cooperation in the sectors of mutual interest.

3.8 Construction

The Sides agreed to periodically conduct the following:

Exchange of experience in performing public services including household communal services, as well as mutual assistance in completion and modification of legislative and normative framework in this field.

Exchange of experience regarding the construction of multi-stage buildings and reconstruction of old buildings, long-term loans for construction and acquisitions of buildings, construction of social buildings.

3.9 Environment

The Sides decided to intensify their mutual cooperation in this field by:

Mutual exchange of experience regarding the environmental protection policy, including investment in environmental activities.

Examination of possibilities regarding the organization of training programs for Moldovan experts in specialized institutions of Israel.

4. Development of Agreements between the Sides

The Sides agreed to make every effort in order to fulfill their legal procedures necessary for signing the following agreements, which are in the process of negotiation:

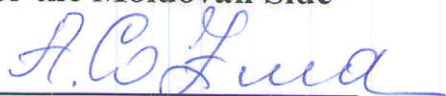
- Agreement on trade, economic, technical and scientific cooperation between the Ministry of Agriculture and Alimentary Industry of the Republic of Moldova and Ministry of Agriculture and Rural Development of the State of Israel,
- Agreement between the Government of the Republic of Moldova and the Government of the State of Israel on cooperation on prevention, fighting and penalization of human traffic.
- Protocol on education between the Ministry of Education and Youth of the Republic of Moldova and Ministry of Education, Culture and Sport of the State of Israel.
- Program on culture, science and education cooperation between the Government of the Republic of Moldova and the Government of the State of Israel for the 2007-2010 years.

5. Next meeting of the Joint Commission

The Sides agreed to hold the next meeting of Joint Moldovan-Israeli Commission in the State of Israel, at a date, to be agreed upon through diplomatic channels.

Done in Chisinau on October 17, 2007 in two originals both in English language.

For the Moldovan Side



Artur COZMA

Minister of Culture and Tourism

For the Israeli Side



Yitzhak AHARONOVITCH

Minister of Tourism