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[emblem of Ministry of Defense]

Coordinator of Government Activities in the Territories Operations Department Public Liaison Tel: 03-6977957 Fax: 03-6975177 General – 13304 3 Nissan 5775 24 March 2015
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To,

**Atty. Talia Ramati – Gisha**

**Re: Freedom of Information Application by Gisha regarding Directives on the Sale  
of Non-Agricultural goods between the West Bank and the Judea and Samaria**

**Area – response**

1. Further to your communication concerning the Freedom of Information Application regarding the sale of non-agricultural goods between the Gaza Strip and the West Bank, we provide the following response:
  - a. As a rule, coordination for the sale of non-agricultural goods from the Gaza Strip in the West Bank is conducted by the Palestinian Commercial Coordinator (a Palestinian Authority official), Mr. Ra'ed Fattouh. The Coordinator of Government Activities (COGAT) and/or the DCO takes no part in the internal Palestinian coordination.
  - b. The Palestinian Commercial Coordinator coordinates with the DCO on a daily basis, i.e. coordination of the arrival of a truck at the crossing, and coordination with Kerem Shalom Customs.**
  - c. COGAT/DCO is not involved in granting permits to suppliers inasmuch as the company is registered with the Palestinian Authority or a registered business under the directives issued by the Ministry of Economy and the tax authority. The Palestinian supplier is not required to obtain a general permit.

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- d. **At this stage, non-agricultural goods approved for sale are textiles and furniture.** There are no special procedures governing the sale of non-agricultural goods in the West Bank, other than customs protocols.
- e. Opportunities for the sale of goods from the Gaza Strip in the West Bank via Israel, including the type of goods, are offered in accordance to considerations relating to manufacturing capacity, supply and demand in the relevant markets – both the originating market and the destination market and concern regarding goods permeating into the Israeli market, along with considerations regarding the relevant agreements between Israel and the Palestinian Authority and considerations regarding crossing capacity. We note that this matter is determined through dialogue with relevant Palestinian Authority officials.
- f. **With respect to coordination of shipment of non-agricultural goods,** there is a requirement for advance coordination in order to allow an initial review of customs and VAT issues, subject to relevant statutes in Israel and international agreements. This review is meant to ensure that all required duties on the goods and raw materials (customs or VAT) have been paid, in accordance with the agreements and that the goods were not smuggled without payment of duties as required, i.e. goods smuggled in “breach” of the regional customs envelope. In addition, advance customs information allows monitoring of the transport of said goods to the West Bank.
- g. **We note that there is no restriction on the sale of goods manufactured outside the Gaza Strip,** as long as the source of the goods/raw materials can be made available and there is no breach of the customs envelope.
- h. With respect to sections 4 and 5 on the “exporter/supplier declaration on origin of goods” form, and in the context of section g. above, we note that these are directives from the Customs Authority and they will be able to provide more information on the considerations that resulted in the requirement for this form.
- i. With respect to quotas on the sale of non-agricultural goods from the Gaza Strip to the West Bank – there is no quota on the amount of non-agricultural goods from the Gaza Strip that may be sold in the West Bank. At the same time, given current crossing capacity and as part of the general combination of goods being transported out of the Gaza Strip, at the present time up to 40 truckloads of goods destined for sale in the Judea and Samaria Area or Israel (agricultural and non-agricultural) may use the crossing per day. Palestinian Authority officials determine which trucks are sent to the crossing, and Israeli officials are not involved in determining the identity of the suppliers. If necessary, the combination of goods can be altered, through coordination between the DCO and the Palestinian Commercial Coordinator.
- j. **With respect to the directives listing how non-agricultural goods are packed for shipping through the Israeli controlled crossing** – directives on how goods are packed, on pallets, derive directly from crossing capacity and existing scanning needs. In addition, there is no restriction on the type of trucks used to transport goods, as long as they are suitable for hauling pallets.

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- k. **With respect to fees levied at the crossing** – There is no fee on the sale of non-agricultural goods in the West Bank. However, there is an operational fee for use of Kerem Shalom Crossing, in accordance with Land Crossing Authority protocols.
- l. **With respect to truck travel through Israel and passage through commercial crossings in the Judea and Samaria Area** – In order to provide a full circle process, in terms of customs, it has been determined that trucks may enter through Tarqumya, Bitunya and Shaar Efrayim crossings only. There are no restrictions on the route travelled.
- m. **With respect to set process for appealing denied applications** – the DCO and COGAT are not involved in approving suppliers, as stated above. Therefore, there is no appeal process. There may be processes related to customs – inquiries should be made with them.
- n. All the aforementioned with respect to the process of selling non-agricultural goods from the Gaza Strip has been brought to the attention of the Palestinian Commercial Coordinator and he is the official who liaises with the Israeli authorities on this matter.

**We stress once more that the Israeli authorities, including Gaza DCO officials, do not communicate directly with Palestinian suppliers for the purpose of coordinating sales to the West Bank or any other place and contact is made exclusively with Palestinian Authority officials.**

2. Sincerely,

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*signed*  
Cohen,  
Liaison  
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