



# ENHANCING PALESTINE - USA TRADE RELATIONS

Assessing the impact of the Palestine-USA  
Trade Arrangement using Sussex Framework

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Prepared by

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## Executive summary

The present assessment aims at providing an overview of Palestine's trade with the USA between 1996 and 2013, evaluating the impact of the US-Palestinian Free Trade Arrangement (USPTA) since its implementation in 1996, identifying opportunities for trade creation for both countries and by sector, and key obstacles to trade. The assessment is based on key features of Sussex Framework, a methodology developed by researchers at the University of Sussex.

**The first part of our assessment is therefore dedicated to providing an overview of Palestine's trade with the USA,** and, as we shall see, the USA has been a fairly insignificant partner in trade for Palestine and vice versa. While 0.82% (42.4 million USD) of Palestine's imports were sourced in the USA in 2013, 1.14% (10.3 million USD) of Palestinian exports were directed to the USA. On the other hand, Palestine accounted for only 0.0004% of US imports and 0.0027% of its exports in 2013.

Ever since signing USPTA, we find that Palestinian trade shares have decreased for imports from the USA and only slightly (by 0.68%) increased for exports to the USA. In a nutshell, it appears that the impact of USPTA on Palestinian trade has been low, if not insignificant.

Looking next at the trade structure between the USA and Palestine, we find that prior to 2007, exports were concentrated with stone and marble and olive oil, accounting for more than 80% of Palestine's total exports to the USA. Between 2007 and 2013, top export products were plants and parts thereof (herbs and fresh herbs in particular) and spices, which together accounted for 39% (20.4 million USD) of Palestine's exported value during this period, followed by olive oil (23%) and stone, marble and granite products (17%).

We have noted that while olive oil exports have decreased between 2012 and 2013, exports of plants and parts thereof and spices have considerably increased, mainly thanks to high quality standards in the fresh herbs sector.

While imports from the USA before 2007 were concentrated with cigarettes and wheat, top imported products between 2007 and 2013 were rice, medicaments and automobiles.

**The second part of the assessment addresses shallow integration, i.e. the impact of tariff measures taken under USPTA.** Because Palestine predominantly applies the same tariffs as Israel, we take into consideration Israeli applied tariffs when looking at Palestine's imports from the world and the USA.

At the total trade level, we find that US and Israeli tariffs have been low throughout time. In 2012, average applied tariffs were 2.9% in the USA and 4.7%, compared to 5.5% in the USA and 2.5% in Israel in 1996 and 1999 (tariff data for Israel before 1999 not available). This suggests that there is not much scope for trade creation through tariff reduction/exemption. However, a deeper analysis of certain products and tariff lines reveals that there is considerable potential for trade creation for both countries.

As discussed above, Palestine's tariff policy is the same as applied in Israel, limiting the scope of tariff measures that can be undertaken by Palestine to list A1 in Paris Protocol. Therefore, although we have identified considerable potential for trade creation for US exports of meat and dairy produce, Palestine is likely to continue sourcing these products predominantly in Israel as long as Israel does not lower its tariffs in these sectors.

On the other hand, based on our tariff analysis, we find that there are a number of Palestinian export products with potential for trade creation in the USA:

Looking first at some of Palestine's strongest world exports (with an exported value at more than 1 million USD), we find that *yogurt, buttermilk, sugar confectionary and non-alcoholic beverages* are subject to customs duties between 4.7% and 28.6% in the US market.

For these products, tariff exemption under USPTA or a bilateral USA-Palestine Free Trade Agreement may have a considerable impact on creating trade for Palestine.

Next, based on an analysis of the USA's tariff peaks on world imports as well as Palestine's Revealed Comparative Advantage (RCA) in these sectors, we analyze the export potential for Palestine's products which receive duty free treatment under USPTA. There are 5 products with particularly high RCA levels for Palestine, US applied tariff peaks on world imports and zero tariffs on imports from Palestine: *waterproof footwear, woven fabrics of synthetic filament and metal thread, dates and babies garments & accessories*. Palestine's world exports are very strong (more than 10 million USD) for waterproof footwear and yogurt, and strong (more than 1 million USD) for dates and woven fabrics of synthetic filament.

In these sectors, Palestine appears to have a competitive advantage vis-à-vis other countries exporting to the USA. This is the case especially for the sectors waterproof footwear and dates, where the USA applies high average tariff rates at 22-23% and 0% tariffs on imports from Palestine.

Besides the 5 products mentioned above, we have also discussed other Palestinian exports with lower, but existing RCA levels, high exported values (above 1 million USD) as well as identified tariff peaks in the US market and zero tariffs applied on imports from Palestine. Based on the US demand in these sectors, there seems to be potential for trade creation for Palestinian exports of *pullovers & cardigans, womens & girls trousers, footwear, table- and kitchenware and bedding articles*. US average applied tariffs on world imports in these sectors were between 5.5% and 13.3%.

In most of these sectors, it appears that despite zero tariff treatment provided to Palestine under USPTA, the country has not made use of its competitive advantage vis-à-vis other countries, which export to the USA at relatively high average tariff rates. The only product exported to the USA in 2013 was dates at a value of nearly 42 thousand USD.

It should also be stressed that the US applied tariff rate on imports of tobacco products (product code 240399) was very high at 306.3% vis-à-vis zero tariffs applied on imports from Palestine.

Considering that cigarettes (product code 240220) were among Palestine's top 5 world exports in 2013, there might be considerable export potential.

**Lastly, we turn our attention to behind-the-border measures which, in line with Sussex Framework, must go along with tariff measures in order to create trade.** Unfortunately, USPTA is limited to tariff measures and therefore does not cover essential instruments of deep integration, such as investment cooperation, SMEs, standards, cooperation in specific sectors, customs cooperation, and provisions on competition, intellectual property rights, sanitary and phytosanitary standards and public procurement.

On the other hand, the USA has supported the development of a positive business and investment environment in Palestine through numerous initiatives targeting many of the above mentioned fields, and implemented by USAID or other public and private bodies based in the USA.

Nevertheless, efficient private sector support requires an extensive framework for cooperation in the form of a bilateral FTA between the USA and Palestine. The priority issue in enhancing trade with the USA should therefore be to prepare for negotiating such an FTA with the USA as a step toward addressing the specific needs of Palestinian exporters and the Palestinian private sector, as well as recognizing the Palestinians' right for statehood.

In the meantime, other obstacles perceived by Palestinian exporters to the USA should be addressed, most notably the burdensome procedures in order to receive export certification, the lack of standards and regulations, especially in the handicrafts sector, and the non-existence of a Palestinian company to market Palestinian herbs produce. In order to deal with these obstacles, Palestine should make use of provided benefits through USAID (financially and technically), as well as OPIC investments or other initiatives.

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## List of Abbreviations

AHS Tariff: Effectively Applied Tariff

AVE Tariff: Ad Valorem Equivalent Tariff

EFTA: European Free Trade Association

EU: European Union

USIFTA: USA-Israel Free Trade Agreement

USPTA: USA-Palestine Free Trade Arrangement

FKI: Finger-Kreinin-Index

FTA: Free Trade Agreement

GAFTA: Greater Arab Free Trade Area

GLI: Grubel-Lloyd-Index

HS: Harmonized System

IIT: Intra-Industry Index

MERCOSUR: Common Market of the South

PCBS: Palestinian Central Bureau of Statistics

RCA: Revealed Comparative Advantage

RMA: Revealed Market Access

SF: Sussex Framework

SITC: Standard International Trade Classification

## Background

Since the foundation of the Palestinian National Authority (PNA), the Israeli-Palestinian Interim Agreement (hereby referred to as “Paris Protocol”) has been the only basis to regulate economic relations between Israel and Palestine. Although it was designated for an interim period only (1994-1999), the Paris Protocol is still in force till date. The Oslo Agreement, of which Paris Protocol forms an integral part, gives Palestine the right to negotiate and conclude agreements as long as the same import policy is applied in Israel and the Palestine. Therefore, Palestine signed several trade agreements in an attempt to improve and flourish the Palestinian economy, the ultimate objective of which was to reduce dependence on a single market and create an enabling business environment.

The Paris Protocol created a quasi-customs union between Israel and Palestine formulated on the free movement of goods between the two markets without any type of tariff and non-tariff barriers; and the adoption of a joint/unified tariff list while giving the Palestine the right to determine duties and standards requirements for a list of basic or strategic commodities known as lists A1, A2, and B. List A1 refers to locally produced goods originating in Arab countries and Jordan and Egypt particularly, whereas List A2 applies to goods from Arab, Islamic and other countries. Goods in List B are basic food items and other goods for the Palestinian economic development program. However, as for the goods specified in these lists, tariffs are till date the same as those applied by Israel. For imports from Israel, Palestinian applied tariffs are zero.

With respect to goods not specified in these lists, Israeli customs duties serve as the minimum basis for Palestinian applied tariffs. Based thereupon, in an attempt to protect local industries, the Palestinian Customs Authority collects (additional) duties for imported items in the sectors shoes and leather, textiles, furniture and aluminium. These duties are applied irrespective the country of origin, except for countries that Palestine has concluded trade agreements/arrangements with.

Furthermore, the Paris Protocol gives Palestine the right to determine duties for imports of cars and petroleum. Based thereupon, the Palestinian Customs Authority filed a request to reduce the purchase tax on car imports to 50% (for cars < 2000 cc) and 75% (for cars > 2000 cc), which was approved by Israeli authorities and has been in place since mid-2013.

Strategically, Palestine prioritized signing agreements with countries that had Free Trade Agreements (FTAs) with Israel. The underlying logic was to grant Palestinian exports preferential treatment since imports from these countries entered the Palestinian market duty free based on their trade agreements with Israel and the “quasi” customs union between Palestine and Israel under the Paris Protocol. The agreements signed by Palestine include the Interim Association Agreements (IAA) with the European Union (EU) and European Free Trade Association (EFTA), Greater Arab Free Trade Area (GAFTA), a Free Trade Agreement with Turkey, a Framework Agreement with Canada and the Common Market of the South (MERCOSUR), last of which to date has not entered into force yet.

Further, especially with respect to products on lists A1, A2, and B, Palestine signed preferential trade agreements with both Jordan and Egypt to strengthen and flourish the Palestinian economy by exercising rights granted under the Paris Protocol. Israeli Customs, while still in control of external borders for Palestine, would clear goods imported by Palestinian traders on behalf of Palestinian Customs and then transfer this money to Palestine; 3% of the total transfers is taken by Israel as administrative expenses.

The **USA-Palestine Free Trade Arrangement (USPTA)**<sup>1</sup> was signed in 1996 and is considered an extension of the USA-Israel Free Trade Agreement (USIFTA), allowing for the export of Palestinian goods to the USA exempt from duties and “as though they were articles directly shipped from Israel for the purposes of the U.S.-Israel Free Trade Agreement [...] even if shipped to the United States from the West Bank, the Gaza Strip or a qualifying industrial zone”<sup>2</sup>.

While USIFTA phased out tariffs on industrial products by 1995, Article VI of the agreement permitted each country to maintain non-tariff barriers for the protection of sensitive, domestically produced, agricultural products. Israel maintained levies and fees on a wide range of agricultural products and placed quotas and bans on others.

Given these barriers, the USA and Israel agreed in 1996 on a 5-year program to establish a gradual and steady market access liberalization for food and agricultural products. This agreement was renewed in 2004, and today provides duty-free treatment to most agricultural exports from Israel to the USA and vice versa<sup>3</sup>.

While USIFTA provides a number of instruments for economic cooperation, such as licensing, IPR, government procurement and the establishment of a Joint Committee, USPTA refers to tariffs only.

With this background, the objective of this study is to evaluate the impact of USPTA using a methodology developed by researchers at the University of Sussex, known as the Sussex Framework (SF)<sup>4</sup>.

We divide the report into different sections which revolve around key features of the SF. First, we identify key aspects of the Palestinian economy. Secondly, we look at existing patterns of trade both by sector and by partner country. Thirdly, we use selected SF indicators to identify the likelihood for shallow integration induced trade effects. Lastly, we turn to the issue of deep integration and consider qualitative and quantitative evidence which can shed light on the potential welfare gains which could arise from deeper integration in USPTA or a future USA-Palestine FTA.

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<sup>1</sup> Attached to this document as Annex I

<sup>2</sup> “Qualifying industrial zones” (QIZ) are industrial parks in Jordan and Egypt. They are a special free trade zones established in collaboration with Israel to take advantage of the free trade agreements between the United States and Israel. Under the trade agreements with Jordan as laid down by the United States, goods produced in QIZ-notified areas can directly access US markets without tariff or quota restrictions, subject to certain conditions. To qualify, goods produced in these zones must contain a small portion of Israeli input. In addition, a minimum 35% value to the goods must be added to the finished product.

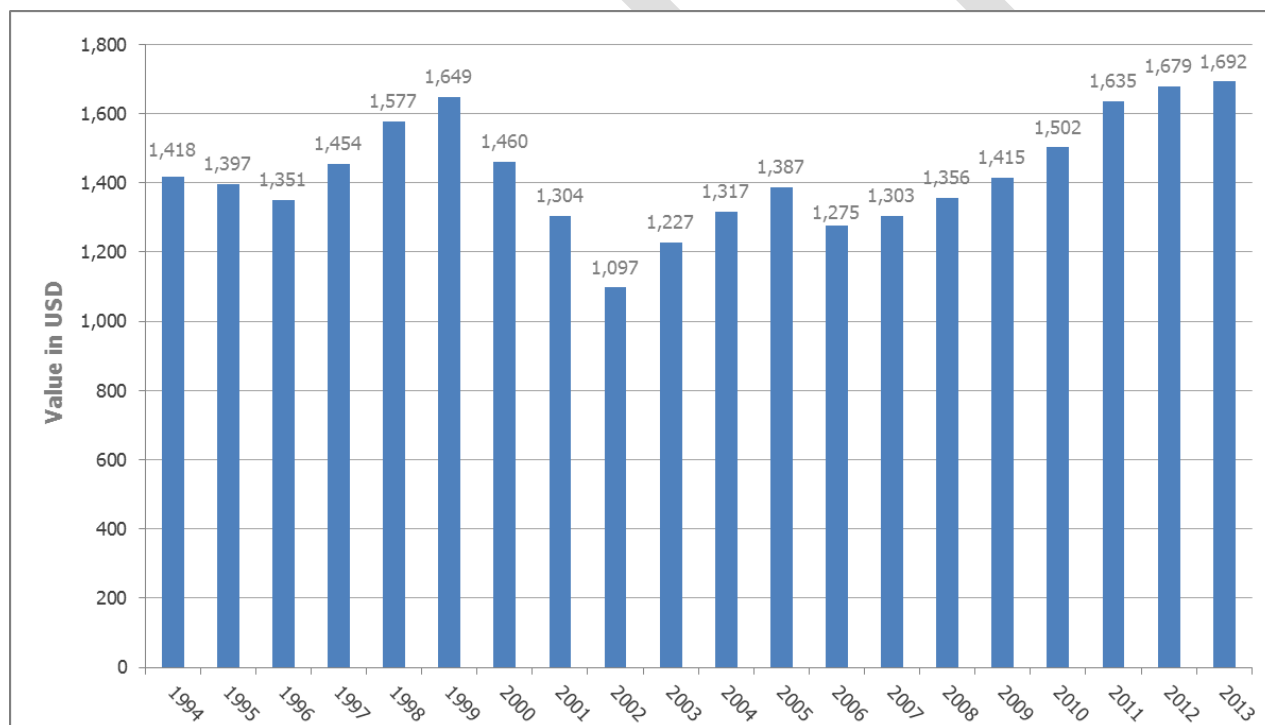
<sup>3</sup> Agreement available online: <http://www.ustr.gov/sites/default/files/2004-US-Israel-Agricultural-Agreement.pdf>

<sup>4</sup> Details about Sussex Framework attached as Annex II.

## A snapshot of Palestinian economic performance

Palestine had a GDP of 7.1 billion USD in 2013 at constant prices and the economy grew by 3.8% over 2012-2013. As illustrated in Figure 1, Palestinian GDP per capita has seen an average annual growth rate of 1.23% throughout the years 1994-2013. The Palestinian economy is predominantly services-based ; the sector has accounted for more than 70% of GDP (see Figure 2) and total employment over time. Within services, other services (see Figure 3) constitute the largest share (20% of GDP in 2013), followed by construction (14.1%) and wholesale and retail trade (14%). In view of this sectorial distribution, any agreement involving the Palestine should cover services. Having said this, the majority of Palestinian trade is in merchandise goods. In 2013, Palestinian net imports of services were 2.6% of total net imports of goods and services, and net exports of services contributed 20.6% to Palestinian exports, compared to 17% in 2012. Palestinian total exports have contributed roughly 12.8% to the Palestinian GDP of 2013.<sup>5</sup>

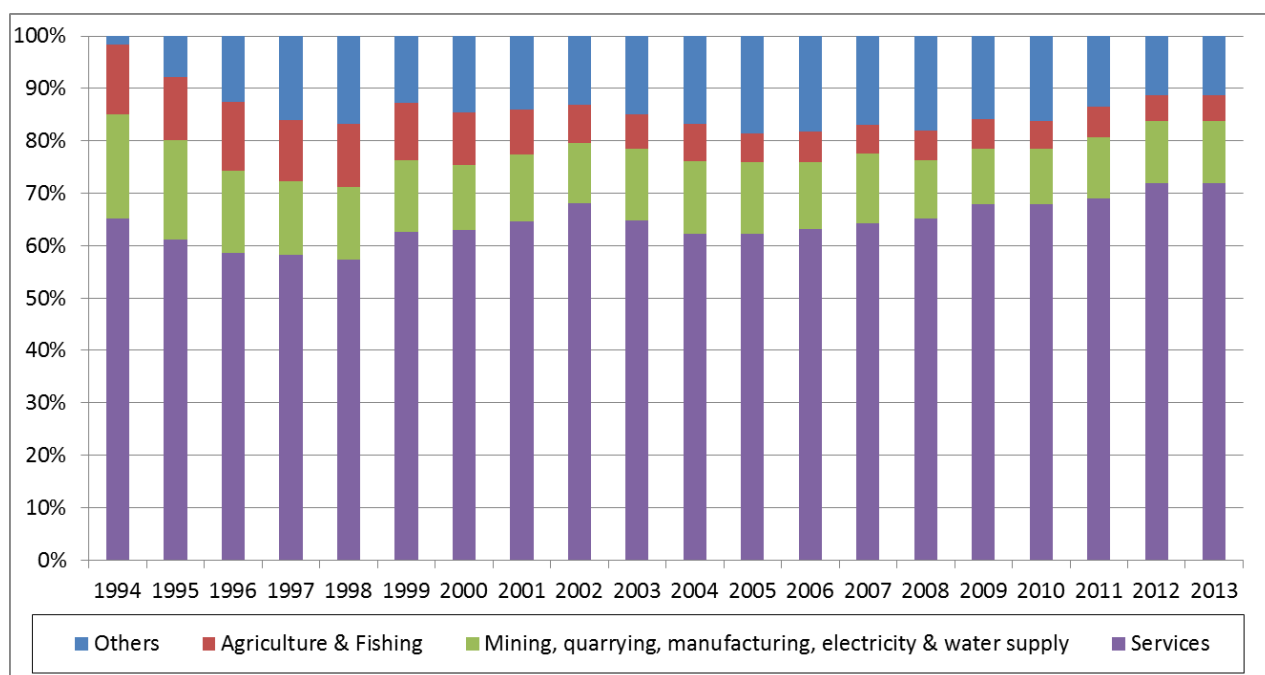
**Figure 1: Palestinian GDP per capita at constant prices**



Source: PCBS (base year 2004)

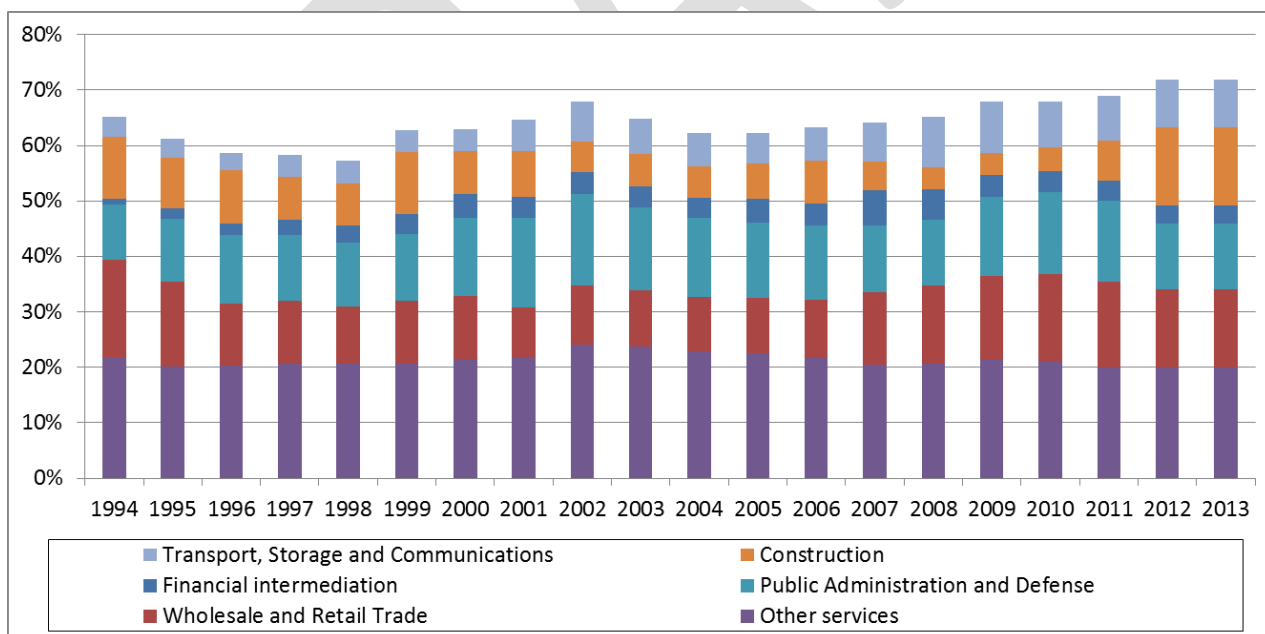
<sup>5</sup> PCBS 2014, "Palestine in Figures 2013", URL: <http://www.pcbs.gov.ps/Portals/PCBS/Downloads/book2040.pdf> (last access: 15.09.2014)

**Figure 2: Sectorial distribution of GDP at constant prices**



**Note:** Others include ‘Households with employed persons’, ‘Public owned employed persons’, FISIM, Customs duties, Net VAT on Imports (Source: PCBS)

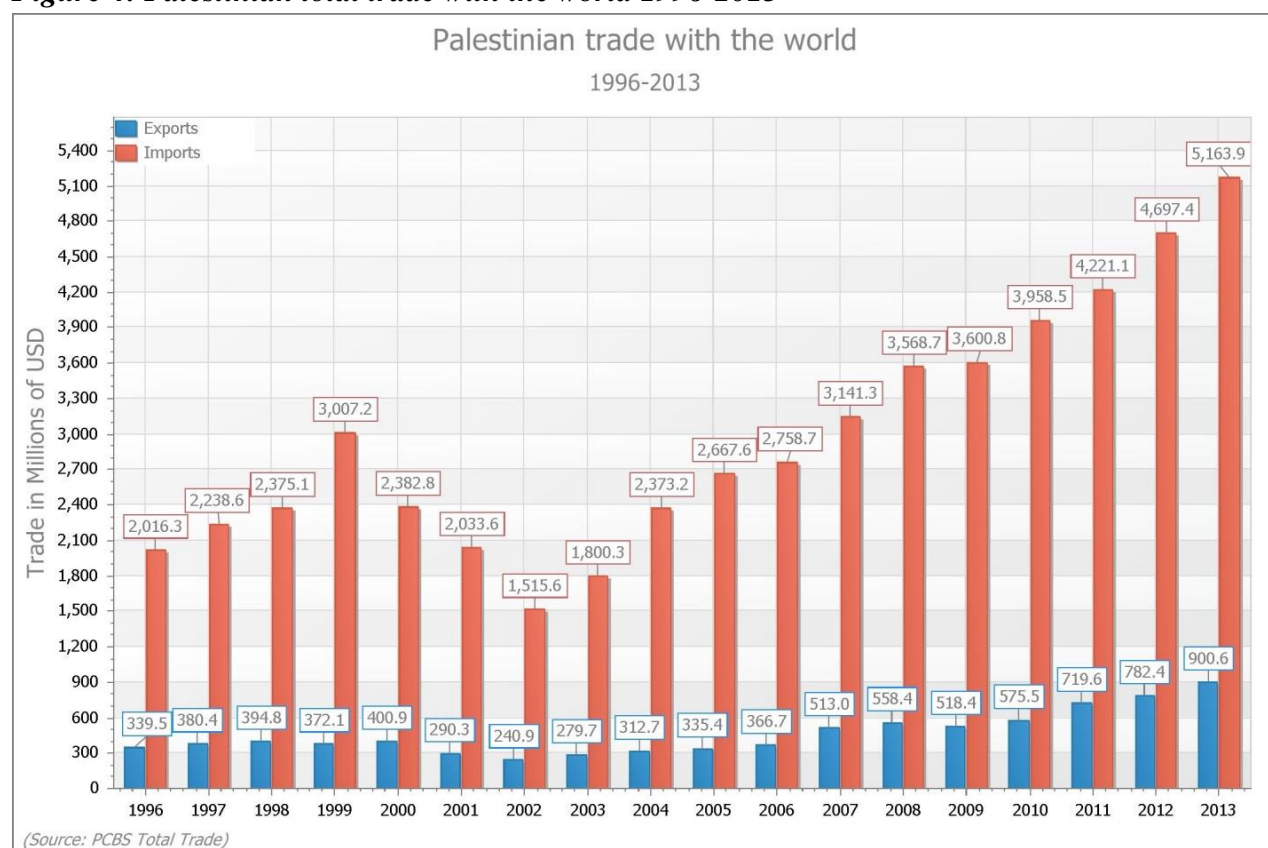
**Figure 3: Breakdown of services contribution to GDP at constant prices 1994-2012**



**Note:** Other services include accommodation and food service activities (hotel & restaurants); real estate activities; professional, scientific and technical activities; administrative and support service activities; education, health and social work; and arts, entertainment and recreation. (Source: PCBS)

Figure 4 below illustrates the value of Palestinian exports/imports between 1996 and 2013. Throughout the years, Israel has been Palestine's major trade partner. In 2013, it has accounted for 71.6% of Palestine's imports and more than 87% of Palestinian exports. Other important trade partners are the EU, GAFTA, Turkey, China, USA, South Korea, MERCOSUR, India, Thailand, Japan, EFTA, Canada and Indonesia. Palestine's trade relations with the world and the USA will be highlighted in more detail in the following chapters.

**Figure 4: Palestinian total trade with the world 1996-2013**



## Palestinian-USA trade relations

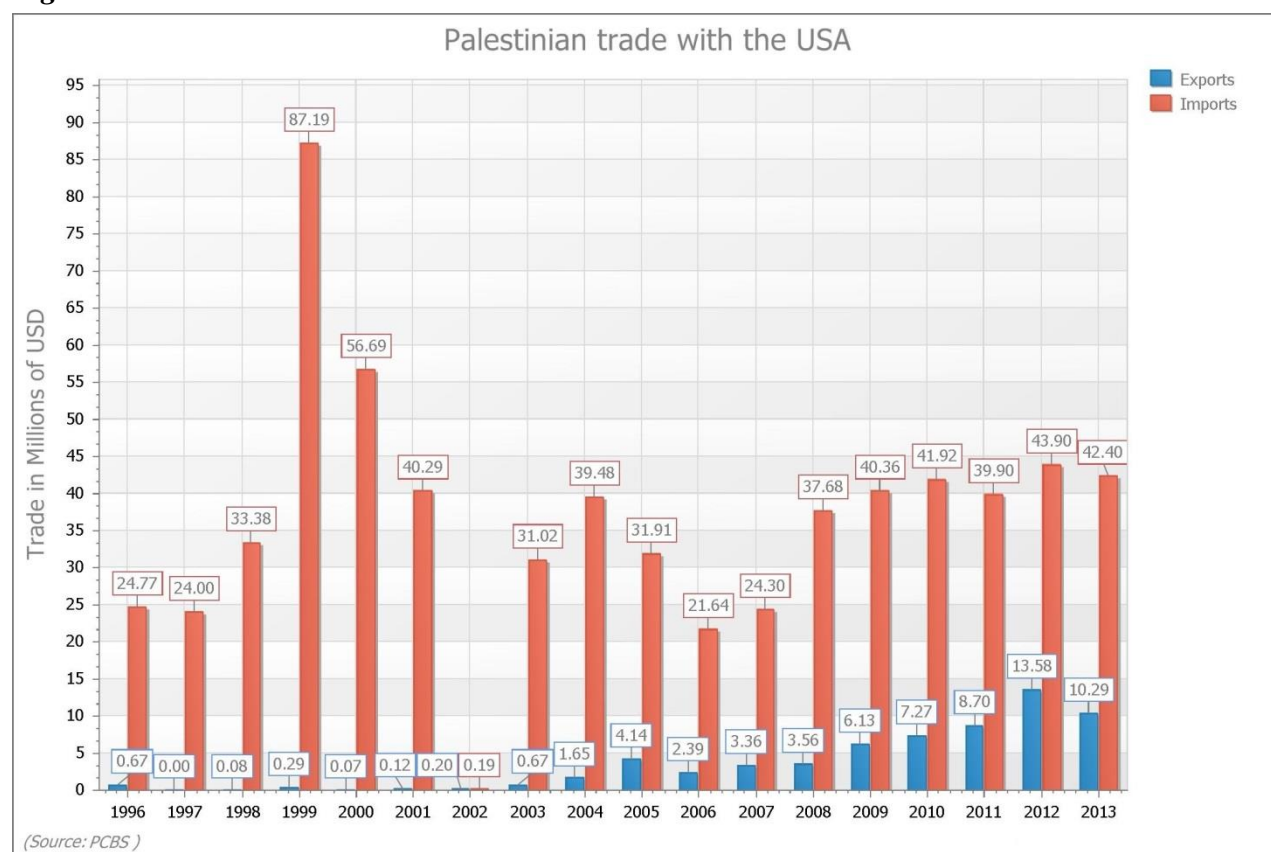
The USA-Palestine Free Trade Arrangement (USPTA), signed in 1996, is considered an extension of the 1985 signed USA-Israel Free Trade Agreement (USIFTA), which allows for the entry of products of both parties into their respective markets exempted from duties. Because tariff exemption applies both for industrial and agricultural exports, USPTA theoretically opens the door for Palestinian exporters to a large market and lucrative trade opportunities. In practice however, as we shall see in this chapter, significant non-tariff barriers have impeded Palestinian traders in benefitting from existing opportunities. In addition, a certain portion of US agricultural exports to Israel and Palestine is still affected by tariff barriers.

Since USPTA was signed in 1996, the average annual value of Palestinian exports to the USA has reached around 3.5 million USD. Whereas the value of exports throughout 1996 and 2003 was

very low, there has been a consistent increase of exports since 2006. Yet, the exported value in 2013 was fairly low at 10.3 million USD, which accounts for only 0.13% of Israeli exports to the USA in the same year.

Imports from the USA have reached a peak in 1999 (87.2 million USD) and severely dropped in 2002 (190 thousand USD). Between 2003 and 2013, the imported value has slightly increased, with an average imported value of 35.8 million USD annually.

**Figure 5: Palestinian total trade with the USA 1996-2013**



**Table 1: Palestinian total trade with the USA 1996-2013**

Year	Imports value ('000s USD)	Exports value ('000s USD)	Imports share	Exports share
1996	24,765.52	671.94	1.23%	0.20%
1997	24,002.38	2.01	1.07%	0.00%
1998	33,382.85	75.17	1.41%	0.02%
1999	87,186.94	291.90	2.90%	0.08%
2000	56,690.50	70.03	2.38%	0.02%
2001	40,293.32	123.13	1.98%	0.04%
2002	190.36	203.30	0.01%	0.08%
2003	31,021.99	668.01	1.72%	0.24%
2004	39,475.27	1,649.29	1.66%	0.53%
2005	31,908.00	4,136.35	1.20%	1.23%
2006	21,644.29	2,389.47	0.78%	0.65%

2007	24,303.27	2,627.96	0.77%	0.51%
2008	37,676.88	3,302.18	1.06%	0.59%
2009	40,139.79	6,102.64	1.11%	1.18%
2010	41,919.49	7,273.01	1.06%	1.26%
2011	39,900.89	8,702.17	0.95%	1.21%
2012	43,899.90	13,576.83	0.93%	1.74%
2013	42,397.06	10,294.21	0.82%	0.88%

Source: PCBS

## Trade Shares

Tables 2 and 3 below illustrate the USA's trade with its most important trade partners in 2013. Table 2 shows that China has been the USA's most important partner for imports, accounting for nearly one fifth of its imports, followed by the EU, Canada, Mexico, Japan, GAFTA, MERCOSUR, South Korea, India, Taiwan-China ("Other Asia nes"), EFTA, Malaysia, Russia, Thailand, Vietnam, Israel, Colombia, Indonesia, Singapore, Costa Rica, Nigeria and Chile. USA's most important partner for exports was Canada, followed by the EU, Mexico, China, MERCOSUR, GAFTA, Japan, China – Hong Kong SAR, South Korea, EFTA, Singapore, Australia, Taiwan-China ("Other Asia nes"), India, Colombia, Chile, Israel, Malaysia, Turkey, Thailand, Russia, Panama, Peru, Indonesia and Philippines (Table 3). We find similar trade shares when we look at US trade during the period 1996-2013 (Figures 6 and 7, Annex III). Palestine accounted for an insignificant share of both US imports (0.0004%) and exports (0.0027%).

**Table 2: Geographical distribution of USA's imports in 2013**

Partner	Imports Value ('000s USD)	Imports share
<b>World</b>	<b>2,328,328,632.81</b>	<b>100.00%</b>
China	460,007,637.81	19.76%
EU28	396,333,699.40	17.02%
Canada	336,685,686.29	14.46%
Mexico	283,043,473.04	12.16%
Japan	142,148,496.72	6.11%
Germany	116,913,837.90	5.02%
GAFTA	97,641,093.05	4.19%
MERCOSUR	66,701,130.91	2.86%
Rep. of Korea	64,989,600.91	2.79%
United Kingdom	53,588,787.18	2.30%
Saudi Arabia	53,098,031.51	2.28%
France	46,339,863.58	1.99%
India	43,342,290.06	1.86%
Italy	40,023,548.67	1.72%
Other Asia, nes	39,396,348.90	1.69%
EFTA	34,833,395.44	1.50%
Venezuela	32,477,623.09	1.39%
Ireland	31,712,735.09	1.36%

Switzerland	28,812,657.49	1.24%
Brazil	28,612,649.77	1.23%
Malaysia	28,025,472.01	1.20%
Russian Federation	27,731,966.40	1.19%
Thailand	27,091,607.95	1.16%
Viet Nam	25,956,187.82	1.11%
Israel	22,967,313.09	0.99%
Colombia	22,152,082.26	0.95%
Netherlands	19,936,266.08	0.86%
Indonesia	19,808,730.34	0.85%
Belgium	19,425,195.47	0.83%
Singapore	18,097,667.76	0.78%
Iraq	13,544,129.68	0.58%
Kuwait	12,941,614.61	0.56%
Costa Rica	12,175,668.19	0.52%
Spain	12,165,813.88	0.52%
Nigeria	11,984,788.74	0.51%
Ecuador	11,973,596.46	0.51%
Chile	11,192,909.84	0.48%
Austria	9,962,470.68	0.43%
Palestine*	10,294.21	0.0004%

Source: Comtrade via TradeSift (HS 1996 Total Trade)

\*Note: Because USA does not differentiate between its trade with Israel and Palestine, data for trade between USA and Palestine originates from PCBS (with Palestine as reporter country)

**Table 3: Geographical distribution of USA's exports in 2013**

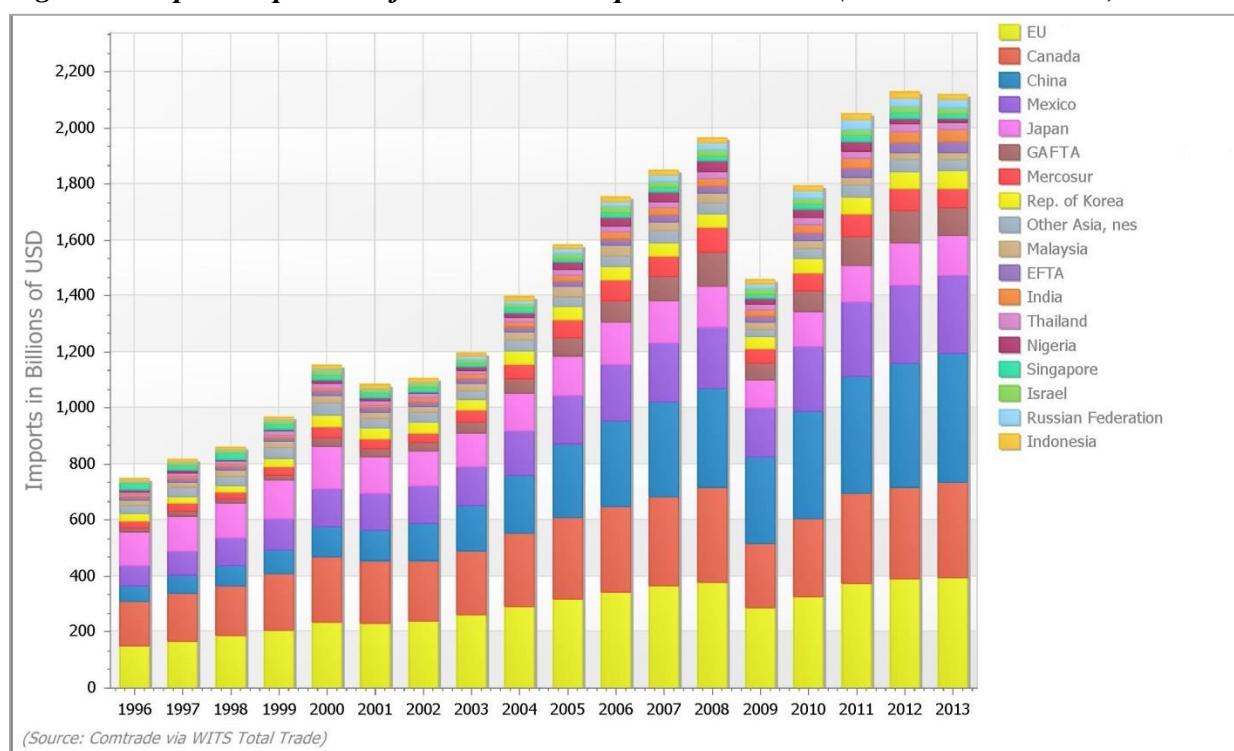
Partner	Exports Value ('000s USD)	Exports share
World	1,578,001,361.90	100.00%
Canada	300,175,625.11	19.02%
EU28	263,816,896.00	16.72%
Mexico	226,152,895.83	14.33%
China	122,016,244.73	7.73%
MERCOSUR	71,214,108.97	4.51%
GAFTA	70,413,452.17	4.46%
Japan	65,142,508.22	4.13%
United Kingdom	47,346,331.35	3.00%
Germany	46,944,882.32	2.97%
Brazil	44,115,969.37	2.80%
Netherlands	42,652,488.91	2.70%
China, Hong Kong SAR	42,431,219.31	2.69%
Rep. of Korea	41,554,498.11	2.63%
France	34,090,599.16	2.16%
EFTA	31,918,168.66	2.02%
Belgium	31,720,276.11	2.01%

Singapore	30,678,765.57	1.94%
Switzerland	26,913,862.92	1.71%
Australia	26,035,278.59	1.65%
Other Asia, nes	25,638,641.99	1.62%
United Arab Emirates	24,600,806.00	1.56%
India	21,875,292.61	1.39%
Saudi Arabia	18,988,190.75	1.20%
Colombia	18,606,321.10	1.18%
Chile	17,584,659.52	1.11%
Italy	16,511,652.90	1.05%
Israel	13,737,949.57	0.87%
Venezuela	13,220,139.13	0.84%
Malaysia	13,002,930.09	0.82%
Turkey	12,066,553.76	0.76%
Thailand	11,824,525.90	0.75%
Russian Federation	11,164,046.60	0.71%
Panama	10,774,460.01	0.68%
Spain	10,236,057.56	0.65%
Argentina	10,200,769.81	0.65%
Peru	10,055,505.69	0.64%
Indonesia	9,088,498.08	0.58%
Philippines	8,401,472.23	0.53%
Palestine*	42,397.06	0.0027%

Source: Comtrade via TradeSift (HS 1996 Total Trade)

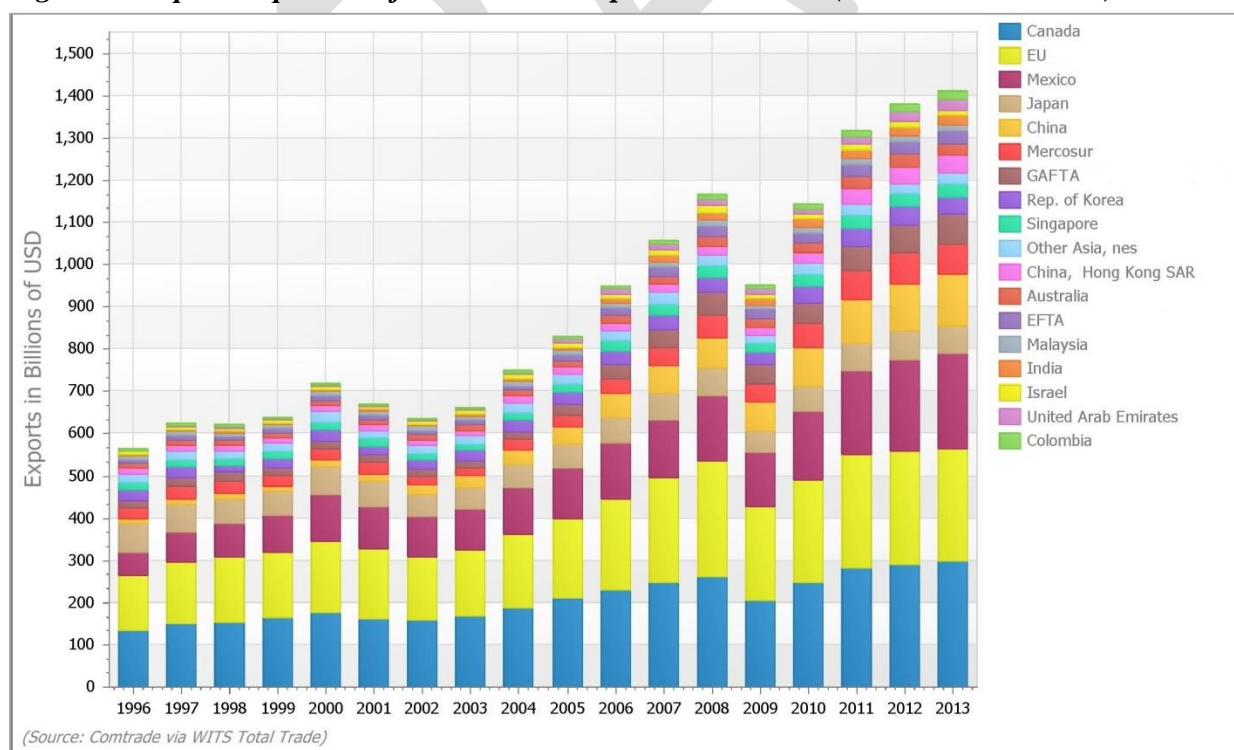
\*Note: Because USA does not differentiate between its trade with Israel and Palestine, data for trade between USA and Palestine originates from PCBS (with Palestine as reporter country)

**Figure 6: Top trade partners for the USA's imports 1996-2013 (details in Annex III)**



**Note:** Most important partners for imports from EU: Germany, United Kingdom, France, Italy, Ireland, The Netherlands, Belgium; from GAFTA: Saudi Arabia; from EFTA: Switzerland; from Mercosur: Venezuela, Brazil.

**Figure 7: Top trade partners for the USA's exports 1996-2013 (details in Annex III)**



**Note:** Most important partners for exports to EU: United Kingdom, Germany, The Netherlands, France, Belgium, Italy, Spain; to GAFTA: Saudi Arabia, United Arab Emirates; to EFTA: Switzerland; to Mercosur: Brazil, Venezuela.

Turning now to Palestine's geographical distribution of trade, Tables 4 and 5 show that Palestine's most important trade partner in 2013 was Israel, accounting for 71.6% of Palestine's imports and 87.2% of its exports. Other significant partners in trade were the EU, GAFTA, Turkey, China, USA, South Korea, MERCOSUR, India, Thailand, Ukraine, Japan and EFTA. This hasn't changed by much if we look at Palestinian trade shares since 1996 (Figures 8 and 9, Annex IV).

Looking at Palestinian trade with the USA throughout time (Table 1) we find that the USA's share of Palestinian imports has slightly increased since the implementation of USPTA: Around 0.2% of Palestinian imports came from the USA in 1996, compared to 1.14% in 2013. The USA's export share, on the other hand, has dropped from 1.23% in 1996 to 0.82% in 2013.

**Table 4: Geographical distribution of Palestine's imports in 2013**

Partner	Imports Value ('000s USD)	Imports Share
<b>World</b>	<b>5,163,897.46</b>	<b>100.00%</b>
Israel	3,694,820.63	71.55%
EU28	455,472.53	8.82%
Turkey	289,169.86	5.60%
China	236,601.08	4.58%
GAFTA	214,774.86	4.16%
Germany	124,152.70	2.40%
Jordan	91,504.33	1.77%
Italy	61,155.12	1.18%
Spain	60,607.62	1.17%
France	51,629.67	1.00%
Saudi Arabia	43,997.36	0.85%
Egypt	43,501.32	0.84%
<b>USA</b>	<b>42,397.06</b>	<b>0.82%</b>
Rep. of Korea	38,352.45	0.74%
MERCOSUR	26,395.85	0.51%
Sweden	26,068.82	0.50%
India	23,506.68	0.46%
Thailand	23,353.78	0.45%
United Kingdom	22,921.07	0.44%
Netherlands	22,825.21	0.44%
Ukraine	22,177.82	0.43%
Brazil	20,035.29	0.39%
Poland	17,492.71	0.34%
Belgium	15,989.37	0.31%
United Arab Emirates	15,834.77	0.31%
Japan	12,485.66	0.24%
Ireland	12,129.26	0.23%
Qatar	11,426.78	0.22%
EFTA	10,139.09	0.20%
Switzerland	10,016.59	0.19%
Czech Rep.	8,995.68	0.17%
Malaysia	6,546.10	0.13%
Russian Federation	6,185.30	0.12%

Bahrain	5,977.86	0.12%
Viet Nam	5,883.31	0.11%
Hungary	5,763.31	0.11%
Denmark	5,697.10	0.11%
Guatemala	5,255.56	0.10%
Australia	4,834.92	0.09%

Source: PCBS

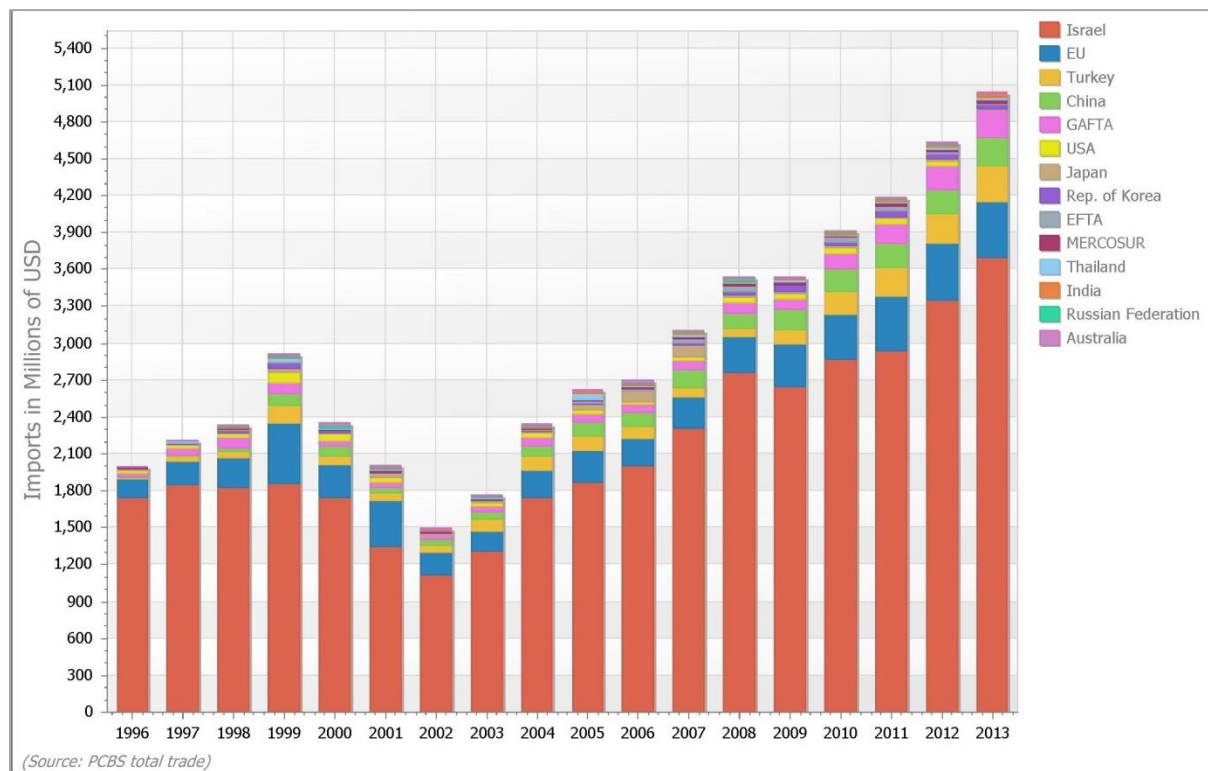
**Table 5: Geographical distribution of Palestine's exports in 2013**

Partner	Exports Value ('000s USD)	Exports Share
World	900,617.86	100.00%
Israel	785,110.86	87.17%
GAFTA	86,549.39	9.61%
Jordan	55,389.85	6.15%
EU28	13,155.64	1.46%
<b>USA</b>	<b>10,294.21</b>	<b>1.14%</b>
Saudi Arabia	8,421.49	0.94%
United Arab Emirates	7,366.87	0.82%
Qatar	4,812.23	0.53%
Kuwait	3,923.57	0.44%
Netherlands	2,991.95	0.33%
Turkey	2,987.65	0.33%
United Kingdom	2,928.70	0.33%
Germany	1,750.10	0.19%
Algeria	1,723.77	0.19%
Italy	1,154.70	0.13%
Poland	1,102.39	0.12%
Slovakia	1,053.32	0.12%
Canada	908.04	0.10%
Yemen	854.27	0.09%
Belgium	718.06	0.08%
Libya	598.10	0.07%
France	549.94	0.06%
Japan	476.10	0.05%
EFTA	382.82	0.04%
Dem. People's Rep. of Korea	325.32	0.04%
Switzerland	311.99	0.03%
Indonesia	305.20	0.03%
Rep. of Korea	299.48	0.03%
Iraq	282.95	0.03%
Oman	230.07	0.03%
Egypt	204.13	0.02%
Cyprus	195.96	0.02%
Sweden	181.43	0.02%
Malta	158.33	0.02%

Austria	154.01	0.02%
Morocco	151.04	0.02%
Russian Federation	150.30	0.02%
New Zealand	149.30	0.02%
Sudan	139.60	0.02%

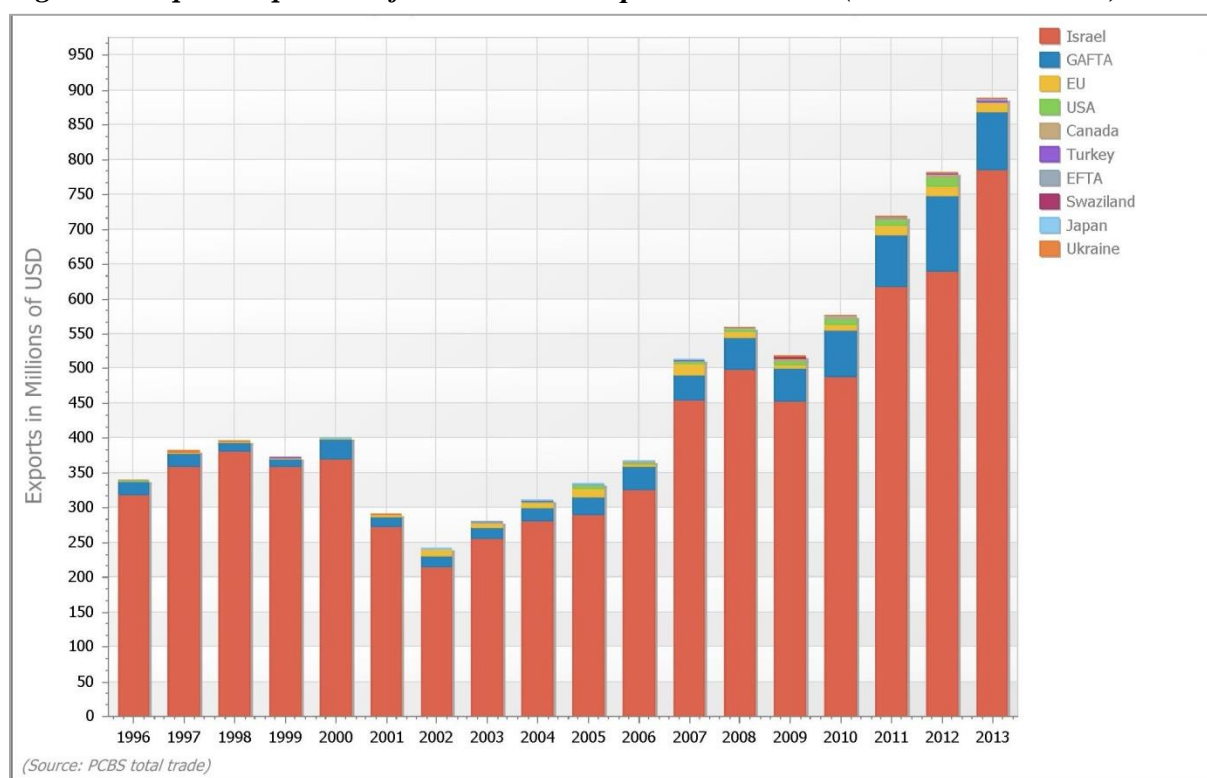
Source: PCBS

**Figure 8: Top trade partners for Palestine's imports 1996-2013 (details in Annex IV)**



**Note:** Most important partners for imports from the EU: Italy, Germany, Spain, France, United Kingdom, The Netherlands, Sweden; from GAFTA: Jordan, Egypt; from EFTA: Switzerland, from MERCOSUR: Brazil

**Figure 9: Top trade partners for Palestine's exports 1996-2013 (details in Annex IV)**



**Note:** Most important partners for exports to the EU: The Netherlands, Italy, United Kingdom, France, Belgium, Germany, Poland, Malta, Slovakia; to GAFTA: Jordan, Saudi Arabia, United Arab Emirates, Algeria, Kuwait, Qatar, Egypt, Yemen, Iraq, Oman; to EFTA: Switzerland.

## Trade Structure

As we shall see in the following section, the structure of Palestinian exports to the USA has been fairly concentrated throughout the past years. Figures 10 and 11 illustrate the 5 most exported products to the USA between 1996 and 2006 (at the SITC Rev.3 5-digit level) and 2007 and 2013 (at the HS 1996 6-digit level).<sup>6</sup> We find that the top 5 products exported between 1996 and 2006 account for 93.22% of Palestine's total exports to the USA, compared to 87.84% during 2007-2013.

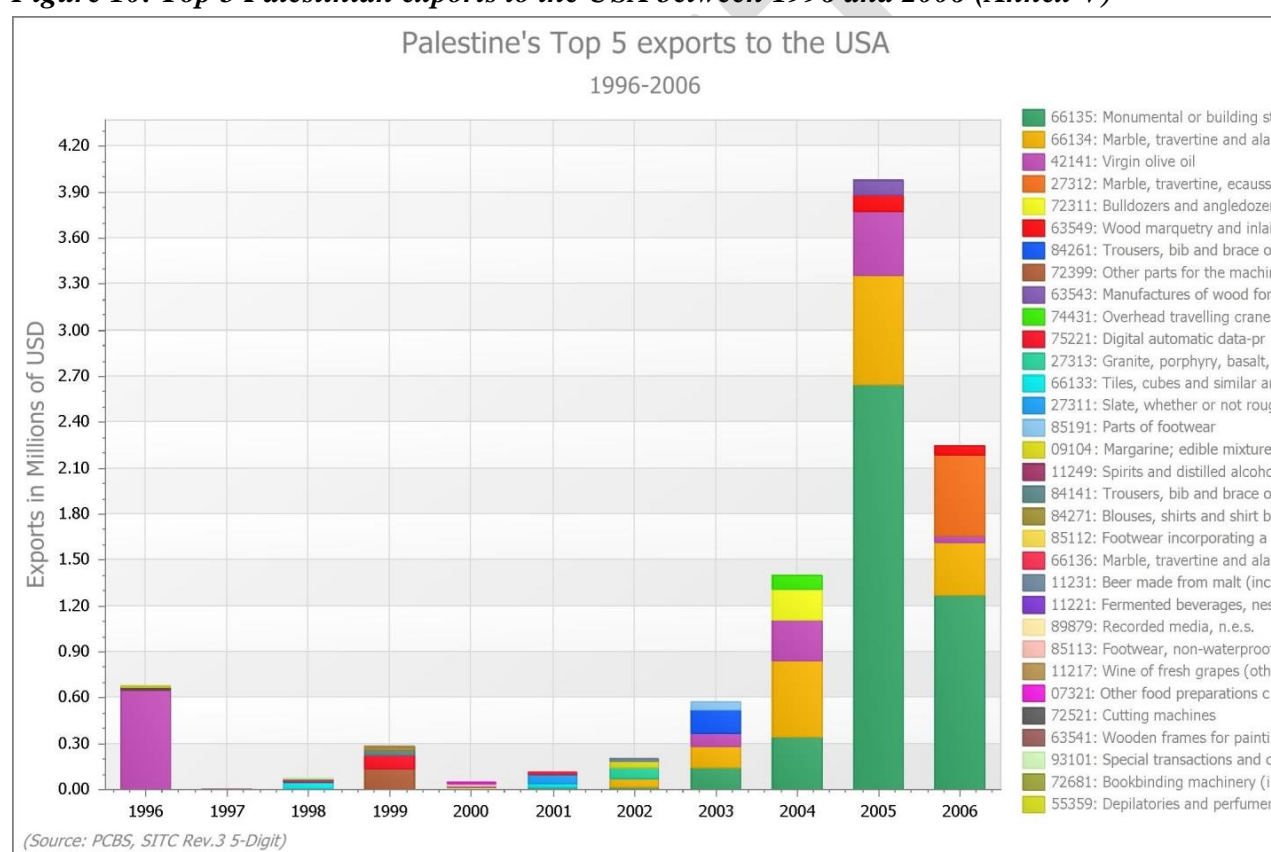
Figure 10 shows that prior to 2007, export products were concentrated on stone and marble (product codes 66135, 66134, 66133 and 27312), which in total accounted for 6.9 million USD or 66.68% of total Palestinian exports to the USA between 1999 and 2006. Another significant export product was 42141 (olive oil), which accounted for 14.35% of total Palestinian exports to the USA between 1996 and 2006. None of the remaining products exceeds 2% of Palestinian exports to the USA during this period.

<sup>6</sup> Because trade data for the years 1999-2006 is only available at the SITC Rev.3 level, we consider the periods 1999-2006 and 2007-2013 separately in our analysis.

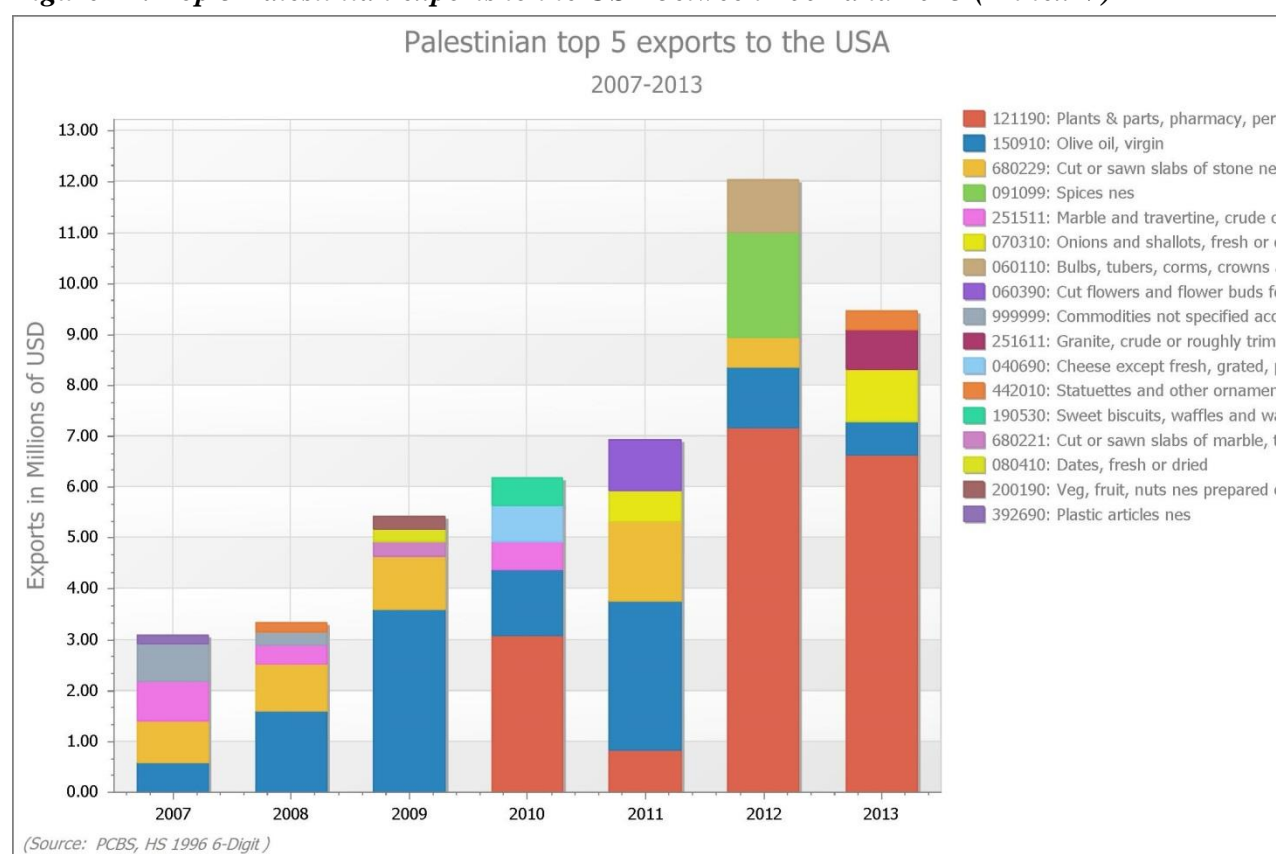
As illustrated in Figure 11, the top export product between 2007 and 2013 were plants and parts thereof (121190) and spices (091099), accounting for 39% (20.4 million USD) of Palestine's exported value during this period. Virgin olive oil contributed nearly 23% (11.9 million USD) to Palestine's exports and stone, marble and granite products (product codes 680229, 251511, 251611 and 680221) contributed around 17% (8.6 million USD) to the total exported value between 2007 and 2013.

Figure 11 shows as well that while olive oil exports have recently decreased, exports of plants and parts thereof and spices have considerably increased. This is mainly due to high quality standards and in the fresh herbs sector, which have secured Palestine a competitive edge even vis-à-vis Israeli exports in the sector.

**Figure 10: Top 5 Palestinian exports to the USA between 1996 and 2006 (Annex V)**



**Figure 11: Top 5 Palestinian exports to the USA between 2007 and 2013 (Annex V)**



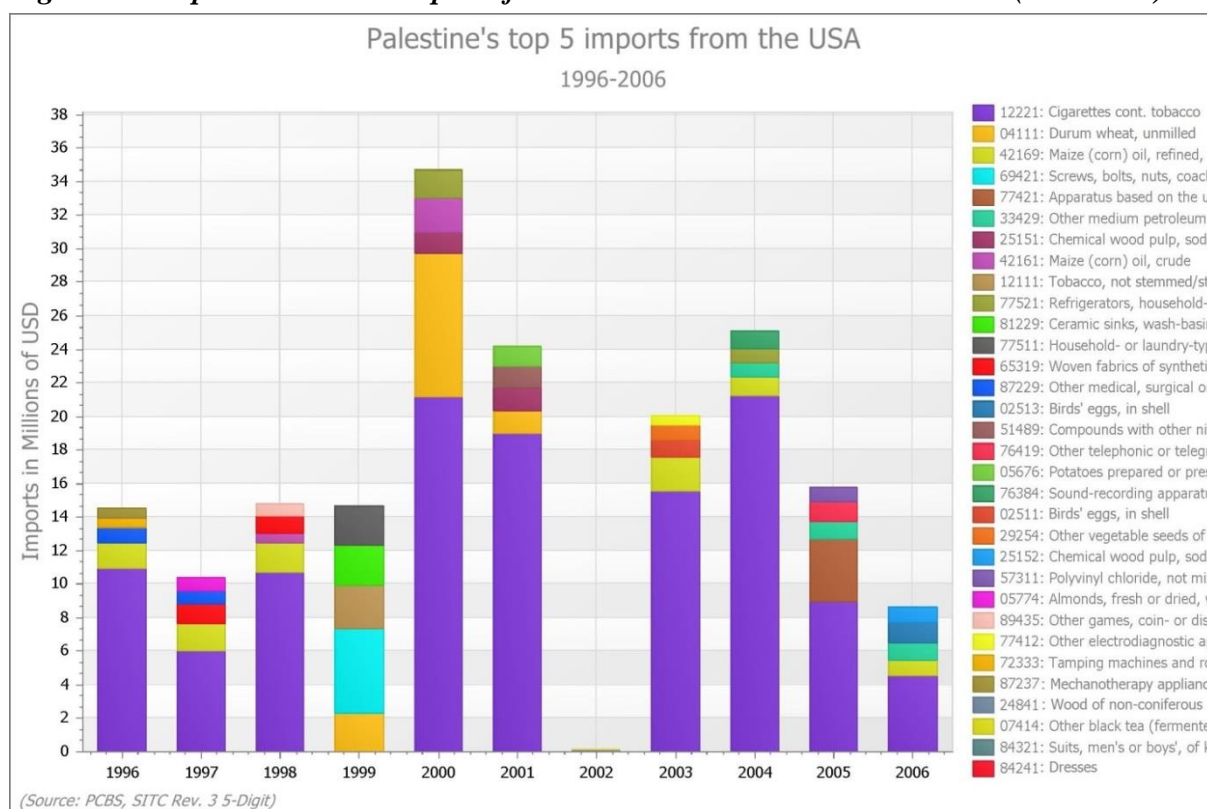
Looking next at the structure of Palestinian imports from the USA, we find that the trade structure is much more diverse than for exports. Figures 12 and 13 illustrate the 5 most imported products from the USA between 1996 and 2006 (at the SITC Rev.3 5-digit level), and 2007 and 2013 (at the HS 1996 6-digit level).

Between 1996 and 2006, the top 5 products imported from the USA accounted for 46.81% of Palestine's total imports from the USA, whereas between 2007 and 2013 they accounted for 38.4%.

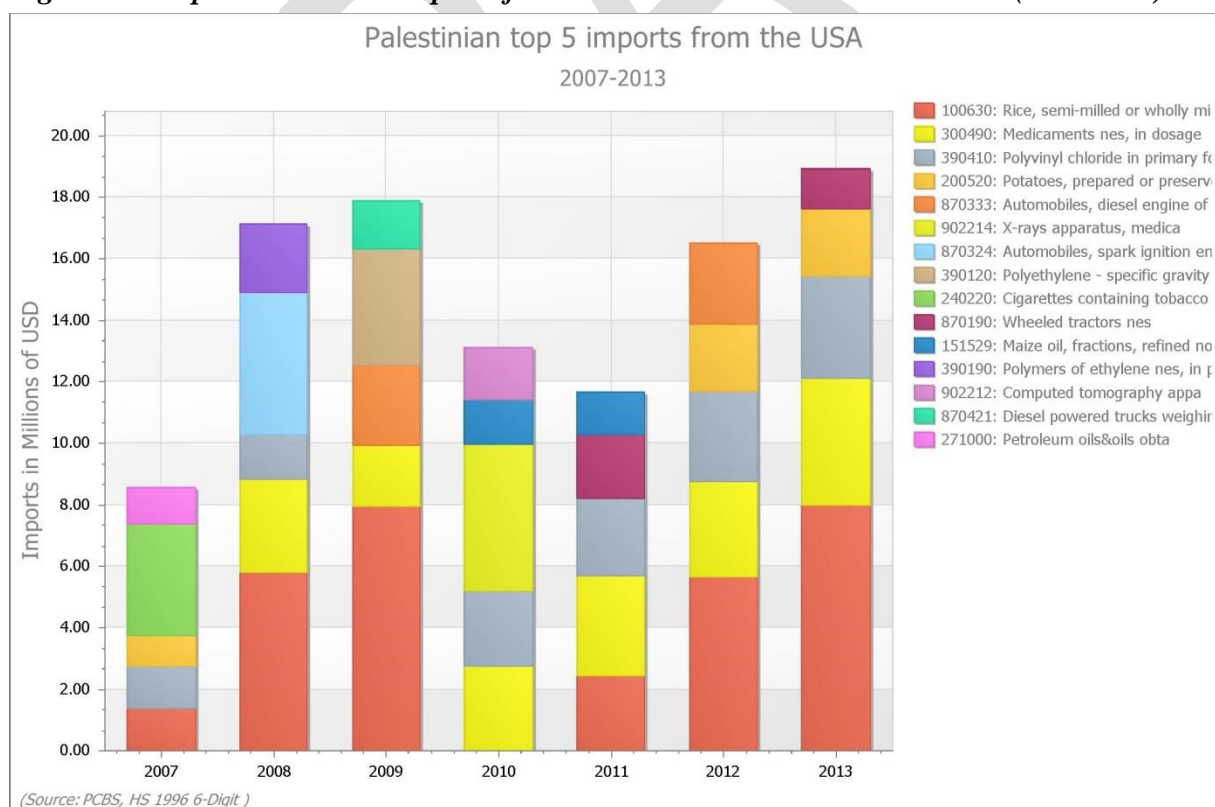
Figure 12 shows that prior to 2007, the most important import product was cigarettes, which accounted for 30.57% (119.4 million USD) of total Palestinian imports from the USA between 1996 and 2006, followed by durum wheat and maize oil, which contributed 3.12% (12.2 million USD) and 2.7% (10.6 million USD) to Palestine's value of imports from the USA. Among the remaining products, none exceeds 2% of the total imported value by Palestine between 1996 and 2006.

As we shall see in Figure 13, imports from the USA have been fairly stable throughout the years. Between 2007 and 2013 (Figure 13), top import products were concentrated with rice and medicaments, which accounted for 12% (32.6 million USD) and 7% (19 million USD), followed by automobiles (HS codes 870333 and 870324), polyvinyl chloride, x-rays and potatoes, which accounted for 5.9%, 5.5%, 2.4% and 2.4% of Palestine's imports from the USA between 2007 and 2013.

**Figure 12: Top 5 Palestinian imports from the USA between 1996 and 2006 (Annex VI)**



**Figure 13: Top 5 Palestinian imports from the USA between 2007 and 2013 (Annex VI)**



Looking at the composition of Palestinian trade with the USA in 2013 only, Table 6 illustrates that Palestine's export products were mostly concentrated in the agricultural sector. The top exported product, plants & parts thereof, contributed more than 64% (6.6 million USD) to the total exported value to the USA. Furthermore, onions/shallots and olive oil accounted for nearly 10% (1 million USD) and 6.4% (656 thousand USD) of Palestine's exports to the USA.

As for the industrial sector, we have previously shown that over time, the major export products were stone, marble and travertine (product codes 680229 and 251511). However, Table 6 illustrates that while exports of stone reached a mere 46.3 thousand USD in 2013, no exports of marble and travertine were registered in the same year. In the previous year, Palestine's exports to the USA in both sectors were 817 thousand USD. On the other hand, we find that Palestine's exports of granite have considerably increased, reaching a staggering 792 thousand USD in 2013 (or 7.7% of total Palestinian exports to the USA), compared to 22 thousand USD in 2012.

Other significant export products were wooden statuettes & other ornaments and communion wafers (product codes 442010 and 190590), which accounted for 3.5% and 2.2% of Palestine's exports to the USA in 2013.

Exploring further Palestine's exports to the USA in 2013, we find that under USPTA Palestine exports at a zero tariff rate in all sectors. On the other hand, the USA's applied tariffs on its world imports of the same products are very low between 0% and 4.3%, except for dates (product code 080410), where the average applied AHS tariff rate is 22.4%.

The USA's applied tariffs on Palestine and world imports will be explained in more detail in our shallow integration analysis.

**Table 6: Palestinian exports to USA in 2013**

Product	Product Name	PSE - USA			USA - WLD		
		Exp. Value ('000s USD)	Exp. Share	USA's applied AVE tariff	Imp. value ('000s USD)	Exp. value ('000s USD)	USA's applied AHS tariff
121190	Plants & parts, pharmacy, perfume, ..	6,627.52	64.38%	0.00%	345,449.69	77,727.38	0.57%
070310	Onions and shallots, fresh or chilled	1,021.89	9.93%	0.00%	364,057.66	257,801.23	0.00%
251611	Granite, crude or roughly trimmed	792.04	7.69%	0.00%	10,091.64	21,363.07	0.00%
150910	Olive oil, virgin	656.25	6.37%	0.00%	799,365.69	20,807.64	0.00%
442010	Statuettes/other ornaments of wood	359.87	3.50%	0.00%	203,070.69	10,829.63	1.18%
190590	Communion wafers, rice paper, ..	225.79	2.19%	0.00%	2,068,528.87	1,625,100.25	1.01%
080510	Oranges, fresh or dried	89.57	0.87%	0.00%	176,730.63	663,673.22	0.00%
070529	Chicory, fresh or chilled, except ..	88.02	0.86%	0.00%	2,788.12	9,521.89	0.00%
071190	Vegetables nes and mixtures provi..	77.74	0.76%	0.00%	13,579.06	11,561.80	2.58%
680229	Cut or sawn slabs of stone nes	46.26	0.45%	0.00%	15,857.47	7,940.74	2.81%
392310	Boxes, cases, crates etc. of plastic	45.13	0.44%	0.00%	1,011,336.33	1,642,813.46	1.50%
080410	Dates, fresh or dried	41.79	0.41%	0.00%	35,687.73	45,706.84	22.35%
070951	Mushrooms, fresh or chilled	32.83	0.32%	0.00%	149,549.33	41,636.49	0.00%
070990	Vegetables, fresh or chilled nes	24.14	0.23%	0.00%	558,475.30	216,424.89	0.00%

160100	Sausages, similar products of meat, ..	20.14	0.20%	0.00%	42,783.86	579,926.19	2.64%
080450	Guavas, mangoes and mangostee...	19.00	0.18%	0.00%	501,254.03	39,416.17	0.00%
091099	Spices nes	16.40	0.16%	0.00%	79,824.35	26,951.88	0.66%
070960	Peppers (Capsicum, Pimenta) fresh ..	15.15	0.15%	0.00%	1,293,980.59	220,432.51	0.00%
640351	Footwear, soles, uppers of leather, ..	12.00	0.12%	0.00%	487,935.91	24,583.46	4.30%
846591	Sawing machines for working wood..	10.18	0.10%	0.00%	436,098.68	76,607.09	2.03%
Others		72.51	0.70%	0.00%	-	-	0.00%
<b>Total</b>		<b>10,294.21</b>	<b>100.00%</b>	<b>-</b>	<b>8,596,445.60</b>	<b>5,620,825.80</b>	<b>-</b>

Source: PCBS (trade data for Palestine), Comtrade via TradeSift (trade data for the USA), ITC Trade Access Map (AVE tariffs), WTO IDB via WITS (AHS tariffs);

Turning now to the composition of Palestine's imports from the USA, we find that the top 5 (top 10) import products at the 6-digit level account for nearly 45% (55%) of Palestinian total imports from the USA in 2013. Table 7 illustrates that rice had the highest imports share (18.8%), followed by medicaments (9.8%), polyvinyl chloride (7.8%) and potatoes (5.2%).

Table 5 also suggests that Israeli applied AVE tariffs on its imports from the USA are 0% in all sectors except for potatoes, for which it applies a low tariff rate at 1.65%. On the other hand, Israeli average applied AHS tariffs on world imports are fairly high for potatoes (12%), food preparations nes (15%) and mixes and doughs for bread (10%).

Israel's applied tariffs on USA and world imports will be explained in more detail in our shallow integration analysis.

**Table 7: Palestinian top 25 imports from USA in 2013**

Product	Product Name	PSE - USA			PSE - WLD		
		Imports Value	Imports Share	Israel's applied AVE tariff	Imports value	Imp. Share	Israel's applied AHS tariff
100630	Rice, semi-milled or wholly milled	7,976.48	18.81%	0.00%	16,427.07	0.32%	0.00%
300490	Medicaments nes, in dosage	4,148.15	9.78%	0.00%	92,532.66	1.79%	0.00%
390410	Polyvinyl chloride in primary forms	3,314.38	7.82%	0.00%	4,066.90	0.08%	0.00%
200520	Potatoes, prepared or preserved, not ..	2,191.16	5.17%	1.65%	6,612.02	0.13%	12.00%
870190	Wheeled tractors nes	1,271.78	3.00%	0.00%	11,028.62	0.21%	4.67%
151529	Maize oil, fractions, refined not ..	973.83	2.30%	0.00%	8,001.96	0.15%	4.00%
901890	Instruments, appliances for medical, ..	874.22	2.06%	0.00%	13,042.39	0.25%	4.00%
120991	Seed, vegetable, nes for sowing	872.95	2.06%	0.00%	3,231.82	0.06%	6.00%
210690	Food preparations nes	820.21	1.93%	0.00%	23,373.64	0.45%	15.08%
847130	Portable digital data pr	676.24	1.60%	0.00%	14,901.36	0.29%	0.00%
390720	Polyethers nes, in primary forms	669.17	1.58%	0.00%	11,735.32	0.23%	0.00%
870422	Diesel powered trucks weighing 5-..	653.20	1.54%	0.00%	12,792.76	0.25%	0.00%
180631	Chocolate, cocoa preps, block, slab, ..	536.70	1.27%	0.00%	24,673.50	0.48%	0.00%
271000	Petroleum oils&oils obta	474.27	1.12%	n.a.	874,707.77	16.94%	0.00%
870333	Automobiles, diesel engine of >250..	457.10	1.08%	0.00%	11,101.30	0.21%	5.44%
470329	Chem wood pulp, soda/sulphate, ..	438.55	1.03%	0.00%	449.77	0.01%	0.00%
440799	Lumber, non-coniferous nes	412.14	0.97%	0.00%	1,401.06	0.03%	0.00%

190120	Mixes and doughs for bread, pastry..	401.50	0.95%	0.00%	772.63	0.01%	10.00%
390210	Polypropylene in primary forms	386.38	0.91%	0.00%	1,302.49	0.03%	0.00%
382200	Composite diagnostic or laboratory ..	374.40	0.88%	0.00%	3,758.68	0.07%	0.00%
902214	X-rays apparatus, medica	348.47	0.82%	0.00%	3,324.37	0.06%	0.00%
870390	Automobiles nes including gas turb..	347.62	0.82%	0.00%	1,571.81	0.03%	7.00%
847150	Digital process units wh	333.68	0.79%	0.00%	6,463.23	0.13%	0.00%
470200	Chemical wood pulp, dissolving ..	332.35	0.78%	0.00%	425.88	0.01%	0.00%
390120	Polyethylene - specific gravity >0...	323.58	0.76%	0.00%	17,882.85	0.35%	0.00%
Others		12,788.57	30.16%	-	3,998,315.63	77.43%	-
<b>Total</b>		<b>42,397.06</b>	<b>100.00%</b>		<b>5,163,897.46</b>	<b>100.00%</b>	<b>-</b>

Source: PCBS (HS 1996 6-digit trade data); ITC Trade Access Map (AVE tariffs); WTO IDB via WITS (AHS tariffs);

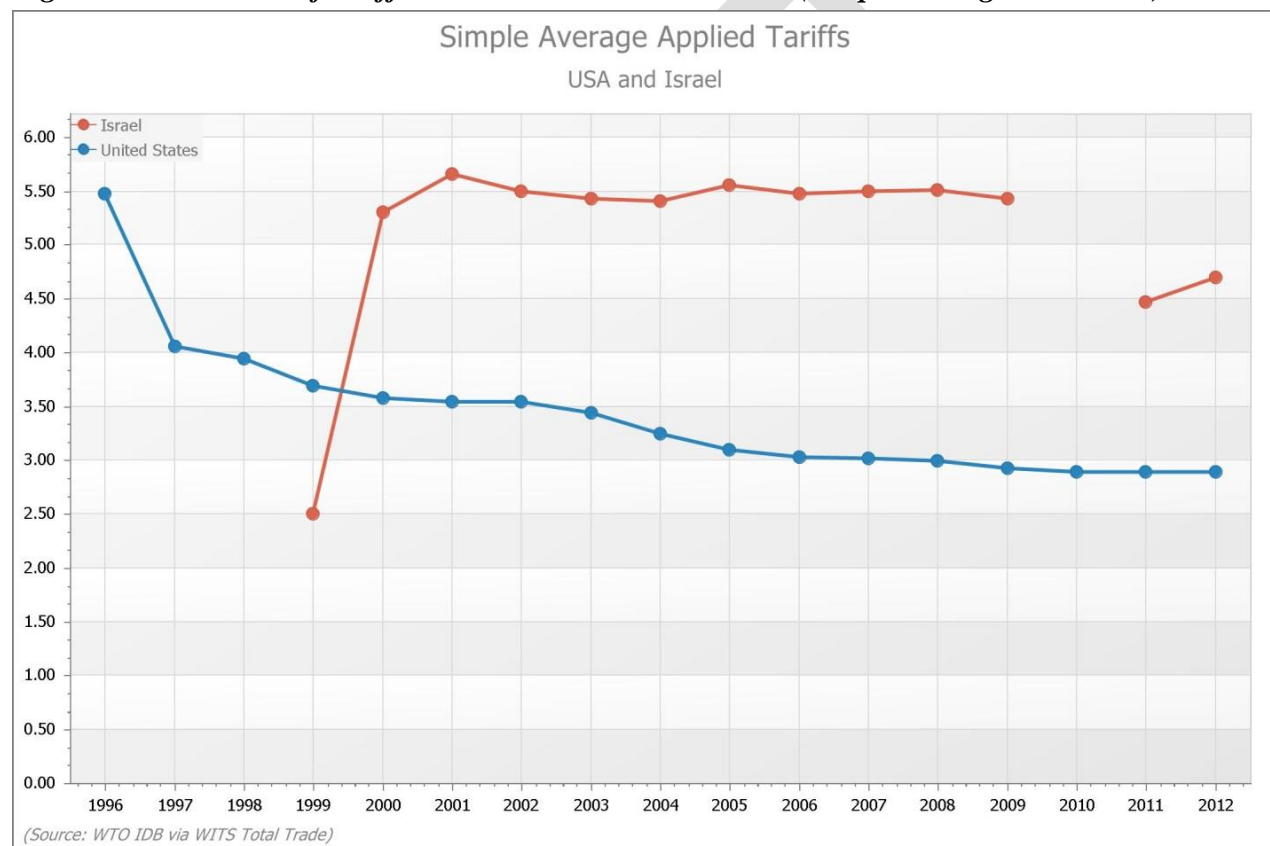
In the discussion above we mentioned that based on Paris Protocol, Palestine reduced the purchase tax on car imports to 50% (for cars < 2000 cc) and 75% (for cars > 2000 cc). Considering the USA's relatively high trade share in this sector, further reduction in taxes is likely to enhance trade for the USA and increase welfare in Palestine.

## Shallow integration effects of the USPTA

*Rule of Thumb 1* of the SF focuses on the initial tariff and/or trade barrier structure<sup>7</sup>.

Given that Palestinian tariffs are the same as applied Israeli tariffs in general, Figure 14 shows the evolution of US and Israeli tariffs over time. The figure shows that at the total trade level, Israeli tariffs on global imports have been low in the past 13 years at around 5.1%. US tariffs, on the other hand, have been even lower at an average of 3.4% since 1996. In 2012, average applied tariffs were 2.9% in the USA and 4.7% in Israel. The low tariff levels suggest that the extent of shallow integration induced trade creation for Palestine and the USA in USPTA or a future USA-Palestine Free Trade Agreement (FTA) is likely to be low.

**Figure 14: Evolution of tariffs in Israel and USA over time (Simple average AHS in %)**



Looking further at the minimum and maximum applied tariff rates on global imports in Israel and the USA, we find that the minimum tariff rate in both countries is 0%, whereas maximum applied

<sup>7</sup> If not mentioned otherwise, our analysis on tariffs is based on World Integrated Trade Solution (WITS). WITS uses the concept of “effectively applied tariffs” (AHS), which are defined as the lowest available tariffs. In this framework, we are working with “simple average” AHS tariffs, which means that we use the simple average tariff of included 6-digit lines. The 6-digit tariff is itself an average of included tariff line level lines.

Furthermore, in several parts of this assessment we include the “ad valorem equivalent” (AVE) tariff, which is defined as the tariff calculated as a percentage of the value of goods cleared through customs. This tariff is used by International Trade Center (ITC) Market Access Map.

rates are 212% in Israel and 350% in the USA in 2012 (compared to maximum rates up to 250% in Israel and 735% in the USA in the previous years) (Table 8).

As a share of total tariff lines in each case, domestic tariff peaks<sup>8</sup> are 6.6% in the USA and 1.1% in Israel. The share of international tariff peaks<sup>9</sup> is 3.3% in the USA and 1.1% in Israel.

These figures suggest that for certain tariff lines, there is potential for both the USA and Palestine to create trade. Because of the relatively high number of tariff peaks in the USA, there is high likelihood that further trade liberalization through USPTA or a future USA-Palestine FTA will particularly benefit Palestinian exporters.

**Table 8: Comparative tariff profiles of Israel and USA on world imports**

Importer	Year	Simple Average AHS Tariff	Imports Value ('000s USD)	Minimum Rate	Maximum Rate	Total Lines	Dom. Peaks	Intern. Peaks
USA	1996	5.47%	817,627,136.00	0.00%	735.60%	277,239	4.65%	11.22%
	1997	4.06%	898,025,455.60	0.00%	350.00%	286,891	4.01%	6.36%
	1998	3.94%	944,350,101.50	0.00%	350.00%	294,799	5.36%	8.58%
	1999	3.69%	1,059,220,095.00	0.00%	350.00%	297,688	5.85%	8.32%
	2000	3.58%	1,258,080,275.00	0.00%	350.00%	330,966	5.97%	7.54%
	2001	3.54%	1,180,073,832.00	0.00%	350.00%	312,519	6.40%	7.93%
	2002	3.54%	1,202,284,490.00	0.00%	350.00%	326,629	6.50%	7.62%
	2003	3.44%	1,305,091,627.00	0.00%	350.00%	332,963	7.60%	7.60%
	2004	3.25%	1,525,268,509.00	0.00%	350.00%	338,267	7.64%	6.17%
	2005	3.10%	1,732,320,798.00	0.00%	350.00%	365,770	6.73%	3.54%
	2006	3.03%	1,918,997,094.00	0.00%	350.00%	370,237	7.31%	5.10%
	2007	3.02%	2,017,120,776.00	0.00%	350.00%	371,476	7.39%	5.16%
	2008	2.99%	2,164,834,031.00	0.00%	721.47%	365,054	7.04%	5.18%
	2009	2.92%	1,601,895,815.00	0.00%	350.00%	352,164	7.07%	5.06%
	2010	2.89%	1,966,496,750.00	0.00%	350.00%	359,993	6.78%	5.01%
	2011	2.89%	2,262,585,634.00	0.00%	350.00%	366,007	6.25%	3.31%
	2012	2.89%	2,333,805,232.96	0.00%	350.00%	372,228	6.61%	3.28%
Israel	1999	2.50%	31,085,575.00	0.00%	250.00%	129,325	0.61%	0.83%
	2000	5.30%	35,742,024.00	0.00%	250.00%	130,930	0.65%	0.94%
	2001	5.65%	33,303,113.00	0.00%	250.00%	121,533	0.53%	0.63%
	2002	5.50%	33,105,904.00	0.00%	250.00%	120,414	0.49%	0.58%
	2003	5.43%	34,210,938.00	0.00%	250.00%	118,681	0.45%	0.51%
	2004	5.40%	40,969,518.00	0.00%	230.00%	123,450	0.44%	0.47%
	2005	5.55%	45,032,350.00	0.00%	230.00%	122,163	1.09%	1.14%
	2006	5.47%	47,834,446.00	0.00%	230.00%	122,200	1.10%	1.15%
	2007	5.49%	56,619,379.00	0.00%	230.00%	125,236	1.22%	1.27%
	2008	5.51%	65,170,546.00	0.00%	230.00%	124,544	1.27%	1.33%
	2009	5.43%	47,362,724.00	0.00%	230.00%	122,054	1.11%	1.17%
	2011	4.47%	73,526,105.00	0.00%	212.00%	126,242	0.77%	0.77%
	2012	4.70%	73,112,080.00	0.00%	212.00%	126,948	1.05%	1.09%

Source: WTO IDB via WITS (tariff data) and Comtrade via TradeSift (trade data).

<sup>8</sup> Domestic tariff peaks are the number of tariff lines exceeding three times the overall simple average applied rate.

<sup>9</sup> International peaks are the number of tariff lines exceeding the overall average applied rate by 15% or more.

The following section is dedicated to a more detailed analysis of Israeli applied tariffs on imports from the USA, and US applied tariffs on imports from Israel and the world.

As Table 9 shows, Israeli applied tariffs are similar for imports from the world and the USA, with maximum applied rates at 212% and domestic and international peaks at 1.1% and 1.2%.

**Table 9: Israel's applied tariffs on imports from the USA (total trade)**

Year	Simple Average AHS Tariff	Imp. value ('000s USD)	Minimum Rate	Maximum Rate	Total Lines	Domestic Peaks	International Peaks
1999	4.96%	6,317,213.00	0.00%	182.00%	7,784	1.07%	1.50%
2000	4.74%	6,640,739.00	0.00%	215.00%	7,531	0.94%	1.18%
2001	5.00%	6,704,515.00	0.00%	182.00%	6,878	0.77%	0.90%
2002	4.95%	6,134,173.00	0.00%	182.00%	6,810	0.68%	0.81%
2003	4.99%	5,331,739.00	0.00%	182.00%	6,621	0.80%	0.88%
2004	4.82%	6,119,649.00	0.00%	170.00%	6,848	0.60%	0.66%
2005	5.01%	6,064,846.00	0.00%	162.00%	6,581	1.28%	1.32%
2006	4.88%	5,920,428.00	0.00%	162.00%	6,530	1.19%	1.24%
2007	4.82%	7,852,349.00	0.00%	162.00%	6,475	1.20%	1.25%
2008	4.95%	8,038,515.00	0.00%	212.00%	6,432	1.41%	1.46%
2009	4.89%	5,851,090.00	0.00%	212.00%	6,332	1.45%	1.50%
2011	4.10%	8,707,597.00	0.00%	212.00%	6,267	1.13%	1.13%
2012	4.16%	9,399,851.00	0.00%	212.00%	6,298	1.11%	1.16%

Source: WTO IDB via WITS (tariff data), Comtrade via TradeSift (trade data)

Exploring Israel's and the USA's tariff profile further at the 6-digit level, Table 10 and 11 illustrate Palestinian and US top world exports and US and Israeli applied tariffs in these sectors.

Table 10 illustrates that all of Palestine's top exports to the world are exempted from tariffs in the US market. The table reveals further that Palestine appears to have a comparative advantage for waterproof footwear. In this sector, US applied AHS tariffs on imports from the world are high at 22.7%, whereas Palestinian exports enter the US market under zero tariff treatment.

**Table 10: Palestinian top exports and US applied tariffs**

Product	Product Name	Exports value PSE>WLD ('000s USD)	Exports share	US applied AVE tariff on imports from Palestine	US applied AHS tariff on imports from WLD
680229	Cut or sawn slabs of stone nes	100,590.85	11.17%	0.00%	0.00%
121190	Plants & parts, pharmacy, perfume, insecticide ..	53,694.28	5.96%	0.00%	0.00%
720430	Waste or scrap, of tinned iron or steel	41,715.68	4.63%	0.00%	0.00%
392321	Sacks & bags (including cones) of polymers of ..	38,941.56	4.32%	0.00%	0.00%
240220	Cigarettes containing tobacco	35,350.69	3.93%	0.00%	0.00%
680221	Cut or sawn slabs of marble, travertine or ..	30,084.01	3.34%	0.00%	0.00%
640199	Waterproof footwear(Wellington) no toe cap, nes	26,238.01	2.91%	0.00%	22.66%
251611	Granite, crude or roughly trimmed	21,865.64	2.43%	0.00%	0.00%
940350	Bedroom furniture, wooden, nes	21,059.83	2.34%	0.00%	0.00%
940429	Mattresses, stuffed, spring interior, etc	15,756.71	1.75%	0.00%	0.00%

940161	Seats with wooden frames, upholstered nes	14,977.65	1.66%	0.00%	0.00%
441520	Wooden pallets, box pallets and load boards	13,680.45	1.52%	0.00%	0.00%
760429	Bars, rods and other profiles, aluminium alloyed	13,611.49	1.51%	0.00%	0.00%
690810	Glazed ceramic mosaic tiles, cubes & similar ..	12,566.56	1.40%	0.00%	0.00%
390190	Polymers of ethylene nes, in primary forms	11,614.69	1.29%	0.00%	0.00%
<b>Top 15 exports</b>		<b>451,748.09</b>	<b>50.16%</b>	<b>-</b>	<b>-</b>

Source: WTO IDB via WITS (AHS tariff data), ITC Market Access Map (AVE tariff data), Comtrade via TradeSift (trade data)

Turning now to the USA's top exports, Table 11 reveals that Israeli tariffs on imports from the USA are zero in all sectors. The USA appears to have a competitive advantage for automobiles, motor vehicle parts and medical instruments & appliances, where Israel's applied AHS tariffs on world imports range between 4% and 5.1%.

**Table 11: US top exports and Israel's applied tariffs**

Product	Product Name	Exports value USA>WLD ('000s USD)	Exports share	ISR applied AVE tariff on imports from the USA	ISR applied AHS tariff on imports from WLD
999999	Commodities not specified according to kind	149,374,261.04	9.47%	-	0.00%
271000	Petroleum oils&oils obtained from bituminous..	111,798,479.88	7.08%	n.a.	0.00%
854230	Monolithic integrated circuits	33,337,385.63	2.11%	n.a.	0.00%
710812	Gold in unwrought forms non-monetary	31,889,353.55	2.02%	0.00%	0.00%
870323	Automobiles, spark ignition engine of 1500-3000..	22,762,168.03	1.44%	0.00%	5.09%
870324	Automobiles, spark ignition engine of >3000 cc	22,759,388.21	1.44%	0.00%	4.67%
120100	Soya beans	21,494,191.87	1.36%	0.00%	0.00%
300490	Medicaments nes, in dosage	19,141,054.51	1.21%	0.00%	0.00%
710239	Diamonds (jewellery) worked but not mounted ..	19,097,508.80	1.21%	0.00%	0.00%
851780	Electrical apparatus for line telephony/telegraphy..	16,904,264.72	1.07%	n.a.	0.00%
847330	Parts and accessories of data processing ..	15,295,461.20	0.97%	0.00%	0.00%
870899	Motor vehicle parts nes	12,308,201.66	0.78%	0.00%	5.00%
901890	Instruments, appliances for medical, etc science, ...	11,177,635.71	0.71%	0.00%	4.00%
852520	Transmission apparatus,for radioteleph inco..	10,775,303.21	0.68%	n.a.	0.00%
270112	Bituminous coal, not agglomerated	10,509,386.53	0.67%	0.00%	0.00%
<b>Top 15 exports</b>		<b>508,624,044.54</b>	<b>32.23%</b>	<b>-</b>	<b>-</b>

Source: WTO IDB via WITS (AHS tariff data), ITC Market Access Map (AVE tariff data), Comtrade via TradeSift (trade data)

In order to identify the potential for trade creation for Palestinian products in the US market, we look at Palestine's exports to the world (at a minimum exported value of 10 thousand USD) in 2013 vis-à-vis US applied tariff peaks for its world imports. Table 12 reveals that tariff peaks exist for many products, especially in the dairy, fruit, vegetables, processed food and tobacco sectors. Among industrial products, the USA applies tariff peaks on leather and textile products, footwear, and table-, kitchen- and glassware.

**Table 12: The USA's applied tariff peaks for Palestine's exports to the world (2013)**

Product	Product Name	Palestine's exports (in '000s USD)		The USA's applied tariffs on world imports				US applied tariffs on imports from Palestine
		PSE→WLD	PSE→USA	Simple AHS Average	Total Lines	Dom. Peaks	Intern. Peaks	Applied AVE tariff
020220	Bovine cuts bone in, frozen	128.06	0.00	2.35%	49	3	1	6.60%
040310	Yogurt	10,386.29	0.12	13.22%	48	25	25	10.84%
040390	Buttermilk, curdled milk, ..	1,567.97	0.00	8.35%	160	10	10	28.64%
040620	Cheese, grated or powder..	768.13	0.00	9.34%	266	56	37	13.02%
040690	Cheese except fresh, grate..	63.56	4.48	8.86%	2650	558	285	13.43%
070610	Carrots and turnips, fresh ..	1,298.74	0.00	2.13%	28	2	0	0.00%
071010	Potatoes, frozen, ..	83.55	0.00	7.00%	10	5	0	0.00%
071040	Sweet corn, frozen, unco..	21.46	0.00	7.54%	13	7	0	0.00%
071080	Vegetables, frozen nes, un..	899.14	1.68	5.62%	561	106	0	0.00%
071220	Onions, dried, not further..	613.22	0.00	17.57%	32	22	22	0.00%
071490	Arrowroot, salep, etc fresh..	69.21	0.00	2.57%	310	36	24	0.00%
080410	Dates, fresh or dried	7,169.17	41.79	22.35%	76	14	14	0.00%
080719	Melons, fresh	29.65	0.00	4.65%	90	16	10	0.00%
110290	Cereal flour except wheat,..	55.98	0.00	2.94%	205	17	0	0.00%
150790	Refined soya-bean oil, no..	1,170.47	0.00	7.81%	22	9	9	0.00%
160413	Sardine, brisling, sprat pr..	113.12	0.00	5.99%	150	48	24	0.00%
160414	Tuna, skipjack, bonito, pre..	251.93	0.00	7.39%	238	45	23	0.00%
170490	Sugar confectionery not c..	6,825.73	0.00	6.58%	968	281	0	7.67%
190110	Infant foods of cereals, flo..	50.08	0.00	10.11%	120	48	36	18.71%
200210	Tomatoes, whole/pieces, ..	26.65	0.00	9.17%	15	11	0	0.00%
200290	Tomatoes nes, prepared ..	354.65	0.00	6.00%	58	30	0	0.00%
200799	Jams, fruit jellies, purees ..	164.78	0.00	3.18%	1152	138	0	0.00%
210320	Tomato ketchup and othe..	150.01	0.00	4.64%	66	20	0	0.00%
210500	Ice cream and other edibe ..	470.26	0.00	15.56%	189	108	108	10.82%
220290	Non-alcoholic beverages ..	6,040.63	0.00	11.62%	666	148	148	4.69%
240399	Products of tobacco, ..	63.39	0.00	306.25%	68	14	14	0.00%
420212	Trunks, suit-cases, etc, ..	592.63	0.00	9.72%	324	125	125	0.00%
420329	Leather, composition glov..	12.24	0.00	10.17%	408	312	0	0.00%
450390	Natural cork articles other..	26.28	0.00	3.67%	42	11	0	0.00%
540110	Sewing thread of synthetic..	269.20	0.00	9.18%	36	29	0	0.00%
540753	Woven fabric >85% ..	67.43	0.00	9.84%	64	26	0	0.00%
540791	Woven fabric synthetic ..	2,509.15	0.00	15.30%	78	69	23	0.00%
551219	Woven fabric >85% ..	366.52	0.07	11.16%	49	40	0	0.00%
580900	Woven fabric incorpor..	676.06	0.00	13.33%	19	17	0	0.00%
610120	Mens, boys overcoats, et..	16.32	0.00	13.40%	70	59	59	0.00%
610439	Womens, girls jackets & ..	56.99	0.00	10.47%	94	41	41	0.00%
611030	Pullovers, cardigans etc o...	1,142.37	0.00	13.31%	444	192	192	0.00%
611120	Babies garments, acces..	69.85	0.00	11.72%	546	380	76	0.00%
611490	Garments nes, of material..	12.54	0.11	5.04%	192	52	0	0.00%
611529	Pantyhose and tights of .....	45.41	0.00	7.84%	100	42	42	0.00%
620291	Womens, girls anoraks ..	96.19	0.00	12.28%	130	57	0	0.00%
620319	Mens, boys suits, of ..	55.49	0.00	8.07%	280	92	0	0.00%

620339	Mens, boys jackets & ..	10.51	0.00	11.69%	244	100	100	0.00%
620343	Mens, boys trousers short..	245.05	0.00	9.47%	644	225	75	0.00%
620419	Womens, girls suits, of ..	40.13	0.00	7.29%	128	28	28	0.00%
620459	Womens, girls skirts, of ..	282.98	0.00	10.60%	336	146	73	0.00%
620469	Womens, girls trousers, ..	1,030.80	0.00	9.31%	510	213	71	0.00%
620530	Mens, boys shirts, of ..	39.14	0.00	9.71%	240	63	0	0.00%
620630	Womens, girls blouses & ..	34.36	0.00	7.99%	339	98	98	0.00%
620811	Womens, girls slips etc, of..	58.22	0.00	12.91%	30	26	0	0.00%
620920	Babies garments, accesso..	334.30	0.00	10.45%	308	189	0	0.00%
620930	Babies garments, accesso..	592.97	0.00	17.22%	147	114	114	0.00%
620990	Babies garments, accesso..	606.05	0.00	8.90%	288	117	39	0.00%
640110	Waterproof footwear (Wel..	94.21	0.00	32.44%	20	17	17	0.00%
640199	Waterproof footwear(Wel..	26,238.01	0.00	22.66%	145	95	92	0.00%
640411	Sports footwear, sole rub..	183.90	0.00	15.18%	686	248	165	0.00%
640419	Footwear,sole rubber/..	6,724.77	0.00	12.89%	1782	712	298	0.00%
640590	Footwear, nes	208.95	0.00	5.71%	120	46	0	0.00%
640610	Footwear uppers and parts..	12.63	0.00	7.26%	720	70	70	0.00%
690510	Roofing tiles, ceramic	340.04	0.00	7.07%	21	11	0	0.00%
691110	Tableware and kitchenwa..	1,497.18	0.00	8.46%	636	174	144	0.00%
701349	Glassware for table or kitc..	1,881.75	0.00	10.04%	294	117	39	0.00%
701399	Glassware, not kitchen or ..	11.32	0.00	10.63%	740	265	106	0.00%
731811	Screws, coach, iron or steel	45.94	0.23	11.81%	18	17	0	0.00%
820320	Pliers, pincers, tweezers ..	16.35	0.00	5.20%	180	38	0	0.00%
870432	Spark ignition engine truc..	780.78	0.00	10.00%	5	2	2	0.00%
940490	Articles of bedding nes	1,701.31	0.00	5.48%	495	79	0	0.00%
960310	Brooms/brushes of vegeta..	23.07	0.00	10.10%	189	40	20	0.00%

Note: Table contains only products with an exported value higher than 10 thousand USD.

Source: WTO IDB via WITS (AHS tariff data), ITC Market Access Map (AVE tariff data), PCBS (trade data)

As illustrated in the Table 12 above, the USA applies zero tariffs on all of Palestine's exports in the industrial sector. Palestine has therefore a comparative advantage vis-à-vis other exporting countries in many sectors, most notably the textile, leather and shoes sector. The USA applies particularly high tariffs (22.7% - 32.4%) on waterproof footwear (product codes 640110 and 640199), where Palestine's exported value to the world in 2013 was more than 26 million USD. Similarly, with an exported value of 6.7 million USD, Palestine was a strong exporter of footwear (640419). For this product, US applied tariffs on world imports were fairly high at 12.9%, compared to 0% AVE tariffs applied on imports from Palestine.

Among textile products, Palestine's exports are very strong for example for woven fabrics of yarn (540791), knitted pullovers & cardigans (611030) and women's trousers & shorts (620469). In these sectors, US applied tariffs are zero for imports from Palestine, and range between 9.3% and 15.3% on imports from the world.

Furthermore, Palestine is a strong exporter of porcelain/china kitchen- and tableware (691110), glassware for table & kitchen (701349) and bedding articles (940490). For these products, applied tariffs by the USA are between 5.5% and 10%, and 0% for imports from Palestine.

*In the agricultural and processed food sector*, Table 12 shows that the USA applies fairly high tariffs on imports of dairy produce. In this sector, Palestine's exports are strong for many sub-sectors, especially yogurt, buttermilk and grated/powdered cheese. Tariffs applied on Palestine's exports range between 10.8% and 28.6%, which is in most cases more than the simple average applied AHS tariff on world imports.

In addition, the USA applies tariffs on infant food (18.7%), ice cream (10.8%) bovine cuts (6.6%), sugar confectionary (7.6%) and non-alcoholic beverages (4.7%). Among these sectors, Palestinian exports are particularly high for sugar confectionary and non-alcoholic beverages.

**Preferential tariff treatment under USPTA or a future USA-Palestine FTA for products that are exported under certain tariff rates would give Palestine a competitive edge vis-à-vis other exporting countries and potentially create trade, especially in sectors where Palestine is already a strong exporter.**

On the other hand, Palestine appears to have a considerable comparative advantage in the US market for exports of dried onions, dates and tobacco products. In these sectors, US applied tariffs are 17.6%, 22.4% and 306.3% for world imports, and 0% for imports from Palestine. In 2013, Palestine exported dates to the USA (world) at a value of 41.8 thousand (7.2 million) USD.

Next we look at the USA's exports to the world and Israeli applied tariff peaks on its imports from the world in 2013 (Table 13). Although Israel's applied tariffs on imports from the USA are generally lower than its simple average AHS tariffs on imports from the world, our analysis reveals that tariff rates are particularly high for US exports of meat and dairy products as well as octopus, brassicas, spinach and citrus fruits: The Israeli applied tariff for meat of bovine animals (020120 and 020130), swine cuts and sheep meat is 130.50%, 25.5% and 45% for imports from the USA. Israeli tariffs on dairy produce imports from the USA range between 20% and 95%.

Table 13 also illustrates that among the listed sectors with Israeli tariff peaks, the USA currently exports food preparations (210690), wooden furniture (940360) and vegetables & mixtures (071290) to Palestine. Low exports were also registered for seeds, fruits & spores (120999), metal furniture (940320) and juices (200990). These sectors are exempted from tariffs in the Israeli market except for juices, where Israel applies an AVE tariff at 17.6% on its imports from the USA.

**Table 13: Israeli tariff peaks for the USA's exports to the world (2012)**

Product	Product Name	The USA's exports (in '000s USD)		Israel's applied tariffs on world imports				Israel's applied tariffs on imports from the USA
		USA→WLD	USA→PSE	Simple AHS Average	Total Lines	Dom. Peaks	Intern. Peaks	Applied AVE tariff
010391	Swine, live except pure..	201.47	0.00	15.00%	4	2	2	0.00%
020120	Bovine cuts bone in, ..	236,574.53	0.00	190.00%	1	1	1	130.50%
020130	Bovine cuts boneless, f..	2,687,072.06	0.00	190.00%	3	3	3	130.50%
020319	Swine cuts, fresh or chil..	1,616,176.25	0.00	30.00%	1	1	1	25.50%
020410	Lamb carcasses and half ..	1,175.57	0.00	50.00%	2	2	2	45.00%
020442	Sheep cuts, bone in, frozen	10,730.45	0.00	50.00%	4	4	4	45.00%
020890	Meat and edible offal nes ..	8,155.32	0.00	18.00%	1	1	1	0.00%
030629	Crustaceans nes, not frozen	1,046.15	0.00	12.50%	28	7	7	9.07%
030749	Cuttle fish, squid, frozen,..	148,241.26	0.00	23.50%	12	6	6	13.73%
030759	Octopus, frozen, dried, ..	1,580.38	0.00	23.50%	4	2	2	30.50%
040210	Milk powder < 1.5% fat	2,050,094.44	0.00	162.00%	24	24	24	55.58%
040221	Milk and cream powder ..	106,191.76	0.00	212.00%	18	18	18	95.40%
040291	Milk and cream unsweete..	26,651.98	0.00	94.00%	2	2	2	79.90%
040299	Milk and cream nes swee..	85,553.08	0.00	94.00%	12	12	12	79.90%
040310	Yogurt	39,066.24	0.00	117.86%	21	21	21	32.58%
040390	Buttermilk, curdled milk..	40,605.44	0.00	119.00%	5	5	5	20.24%
040410	Whey	801,202.49	0.00	20.00%	18	9	9	24.00%
040490	Natural milk products nes	172,298.27	0.00	40.00%	2	2	2	34.00%
040510	Butter	315,450.20	0.00	75.00%	44	22	22	90.00%
040590	Other milk fats and oils	45,595.74	0.00	140.00%	12	12	12	42.00%
041000	Edible products of anima..	4,990.08	0.00	22.00%	6	3	3	18.70%
060390	Cut flowers and flower ..	1,603.82	0.00	20.00%	10	10	10	0.00%
070110	Potatoes seed, fresh or ..	7,900.99	0.00	53.50%	4	2	2	0.00%
070490	Edible brassicas nes, fres..	265,585.93	0.00	75.00%	4	1	1	24.14%
071029	Legumes, except peas an..	418.50	0.00	14.00%	6	3	3	14.40%
071030	Spinach, frozen, uncook..	7,044.64	0.00	30.00%	3	3	3	27.00%
071080	Vegetables, frozen nes, ..	46,283.79	0.00	17.50%	55	22	22	15.55%
071190	Vegetables nes and mixt..	11,561.80	0.00	22.80%	7	3	3	12.61%
071290	Vegetables nes & mixt..	120,180.55	43.90	11.25%	160	20	60	0.00%
080290	Nuts edible, fresh or drie..	408,173.12	0.00	14.00%	9	0	3	0.00%
080450	Guavas, mangoes and ma..	39,416.17	0.00	25.00%	9	3	3	0.00%
080590	Citrus fruits, fresh or dr..	12,605.19	0.00	50.00%	3	2	2	29.17%
081190	Fruits and nuts (uncook..	174,914.14	0.00	16.67%	51	17	17	2.40%
081310	Apricots, dried	8,108.76	0.00	20.00%	5	5	5	0.00%
081340	Fruits, dried nes	62,959.24	0.00	20.00%	20	20	20	0.00%
120890	Flour or meal of oil seed..	25,897.99	0.00	12.50%	4	2	2	0.00%
120999	Seed, fruits and spores f..	42,318.36	14.12	35.00%	57	19	19	0.00%
190190	Malt extract & limited ..	343,984.23	0.00	16.33%	156	78	78	0.00%
200190	Veg, fruit, nuts nes prepar..	72,718.74	0.00	26.00%	92	23	23	1.62%
200410	Potatoes, prepared, frozen	1,056,919.54	0.00	22.00%	12	4	4	15.83%
200490	Vegetables nes and mixtu..	132,966.67	0.00	17.00%	35	7	7	9.28%

200819	Nuts, seeds & mixes, oth..	563,882.51	0.34	14.75%	198	44	44	0.00%
200911	Orange juice, frozen, not..	220,080.15	0.00	25.00%	78	65	65	15.13%
200919	Orange juice, not ferment..	310,714.21	0.00	25.00%	6	4	4	16.33%
200950	Tomato juice not ferm..	15,649.35	0.00	25.00%	20	20	20	0.00%
200990	Mixtures of juices not ..	218,823.43	14.71	30.00%	72	60	60	17.55%
210690	Food preparations nes	4,763,663.53	820.21	15.08%	735	147	147	0.00%
300650	First-aid boxes and kits	19,560.51	0.00	100.00%	2	2	2	0.00%
940320	Furniture, metal, nes	867,860.31	8.77	41.33%	168	56	56	0.00%
940340	Kitchen furniture, woode..	133,943.43	0.00	41.33%	87	29	29	0.00%
940360	Furniture, wooden, nes	703,488.84	137.99	41.33%	252	84	84	0.00%
940370	Furniture, plastic, nes	143,296.07	1.00	41.33%	105	35	35	0.00%
940510	Chandeliers, other electr..	497,816.07	0.26	23.33%	270	45	45	0.00%
940520	Electric table, desk, bedsi..	72,441.49	0.48	26.00%	145	29	29	0.00%
940540	Electric lamps, lighting ..	791,578.08	0.03	21.67%	270	45	45	0.00%
970500	Collections and collecto..	191,828.34	0.00	50.00%	4	2	2	0.00%

*Note:* Table contains only products with an exported value higher than 10 thousand USD.

*Source:* WTO IDB via WITS (AHS tariffs), Comtrade and PCBS (trade data), ITC Market Access Map (AVE tariffs)

Based on our findings in Table 13, we now look at Palestinian imports in the sectors with identified high tariff rates applied on Israeli imports from the USA. Because of Palestine's production capacities for citrus fruits, and because of its generally low imports of brassicas, these products will be excluded from the following analysis.

An analysis of Palestine's imports in 2013 in the meat sector reveals that Palestine is entirely dependent on imports from Israel in the sectors 0201 (meat of bovine animals) and 0203 (meat of swine). The product 0204 (meat of sheep) is mostly sourced in countries other than Israel, at a tariff rate of 50% (Table 14).

**Table 14: Palestinian imports of 0201 (meat of bovine animals), 0203 (meat of swine) and 0204 (meat of sheep/goats) (2013)**

Product	Product Name	Partner	Imports Value ('000s USD)	Imports Share	Israeli applied AVE tariff
0201	Meat of bovine animals, fresh or chilled	World	98.57	100.00%	-
		Israel	98.57	100.00%	-
0203	Meat of swine, fresh, chilled or frozen	World	52.14	100.00%	-
		Israel	52.14	100.00%	-
0204	Meat of sheep or goats, fresh, chilled or frozen	World	1,031.44	100.00%	-
		Australia	561.82	54.47%	50.00%
		EU28	296.18	28.72%	50.00%
		New Zealand	125.45	12.16%	50.00%
		Argentina	26.46	2.57%	50.00%
		Israel	21.31	2.07%	-
		Uruguay	0.21	0.02%	50.00%

*Source:* PCBS (trade data), ITC Market Access Map (AVE tariffs)

Similarly, as illustrated in Table 15, dairy produce is predominantly sourced in Israel. Palestinian imports are particularly high for buttermilk, cream, yogurt etc., with Israel being the sole supplier to Palestine. In the milk and cream sector, more than half of Palestine's imports come from the EU, for which Israel applies a tariff rate at 67.7%. For other countries, the tariff rate is even higher at 128.2%. Similarly, 25% and 11% of Palestine's imports of whey are supplied by Turkey and the EU. Israel's applied tariff rate in this sector is 15.6% for Turkey and 31.3% for the EU.

**Table 15: Palestinian import of dairy produce (2013)**

Product	Product Name	Partner	Imports Value ('000s USD)	Imports Share	Israeli applied AVE tariff
0402	Milk and cream, concentrated or sweetened	World	10,899.51	100.00%	-
		EU28	6,118.44	56.13%	67.70%
		Israel	4,713.37	43.24%	-
		China	43.73	0.40%	128.20%
		India	23.98	0.22%	128.20%
0403	Buttermilk, cream, yogurt etc	World	33,972.10	100.00%	-
		Israel	33,972.10	100.00%	-
0404	Whey, natural milk products nes	World	676.30	100.00%	-
		Israel	427.70	63.24%	-
		Turkey	173.26	25.62%	15.62%
		EU28	75.34	11.14%	31.25%
0405	Butter and other fats and oils derived from milk	World	3,779.57	100.00%	-
		Israel	3,732.55	98.76%	-
		EU28	47.02	1.24%	51.25%

Source: PCBS (trade data), ITC Market Access Map (AVE tariffs)

In a nutshell, we find that due to Israel's protective import policies for meat and dairy produce, Palestine predominantly depends on imports from Israel in these sectors. Needless to say that this considerably increases end-user prices of many basic products needed by the Palestinians. In addition, while Israeli produced dairy products are considered expensive even for Israeli consumers, one can imagine the difficult situation for Palestinians whose per capita GDP is nearly 15 times lower than in Israel.

Tariff exemption is therefore likely to create trade for US exporters, divert trade away from Israel toward the USA and countries already exporting to Palestine, decrease Palestine's dependency on Israel as the major supplier in these sectors, and increase welfare in the Palestinian market.

However, in line with Paris Protocol, Palestine has no right to determine its own customs duties in these sectors.

The essence of *Rule of Thumb 3* is the extent to which Palestine and the USA differ in comparative advantage, which can be estimated by calculating the **revealed comparative advantage (RCA)**. The RCA measures a country's exports of a commodity relative to its total exports and compares this to the world exports of a commodity relative to total world exports<sup>1011</sup>. A comparative advantage is "revealed" if  $RCA > 1$ . This is because the index shows that the country is exporting a higher share of the good than the share of the good in world exports – hence the country has a comparatively higher share for that good, implying a comparative advantage. Analogously, if the RCA is less than unity, the country is said to have comparative disadvantage in that commodity.

Table 16 illustrates the calculated RCAs for the top fifteen export sectors of both Palestine and the USA at the HS 1996 6-digit level for the year 2013. A comparison reveals that there is little similarity in patterns of comparative advantage/disadvantage of the two countries. The table also reveals huge RCA magnitudes for Palestine, which suggests that the country seems to occupy a more important position globally in the export of its top 15 products compared to the USA.

**Table 16: Comparison of RCAs for the top 15 exports of Palestine and the USA (2013)**

Palestine				USA			
Product	Product Name	RCA	Exports PSE>WLD ('000s USD)	Product	Product Name	RCA	Exports USA>WLD ('000s USD)
680229	Cut/sawn slabs of stone..	5,168.94	100,590.85	999999	Commodities nes accordi..	0	149,374,261.04
121190	Plants & parts, pharmac..	363.44	53,694.28	271000	Petroleum oils&oils obta..	1.24	111,798,479.88
720430	Waste or scrap, of tinne..	574.73	41,715.68	854230	Monolithic integrated ci..	0.8	33,337,385.63
392321	Sacks & bags (include..	68.91	38,941.56	710812	Gold in unwrought for..	2.76	31,889,353.55
240220	Cigarettes cont. tobacco	31.84	35,350.69	870323	Automobiles, spark ignite..	0.86	22,762,168.03
680221	Cut/sawn slabs of marbl..	314.07	30,084.01	870324	Automobiles, spark igni..	1.81	22,759,388.21
640199	Waterproof footwear(W..	1,476.12	26,238.01	120100	Soya beans	3.72	21,494,191.87
251611	Granite, crude or roughl..	395.47	21,865.64	300490	Medicaments nes, in ..	0.74	19,141,054.51
940350	Wooden bedroom furnit..	43.50	21,059.83	710239	Diamonds (jewellery) ..	2.37	19,097,508.80
940429	Mattresses, stuffed, ..	138.84	15,756.71	851780	Elect apparatus for line	1.82	16,904,264.72
940161	Seats with wooden fra..	18.34	14,977.65	847330	Data processing equipm..	1.62	15,295,461.20
441520	Wooden pallets, box ..	101.05	13,680.45	870899	Motor vehicle parts nes	1.18	12,308,201.66
760429	Bars, rods and other ..	26.38	13,611.49	901890	Medical/science instrume..	2.53	11,177,635.71
690810	Glazed ceramic mosaic ..	461.67	12,566.56	852520	Transmit-receive apparatu..	0.62	10,775,303.21
390190	Polymers of ethylene ne..	14.45	11,614.69	270112	Bituminous coal, not ..	1.12	10,509,386.53
<b>Top 15 exports</b>			<b>451,748.09</b>	<b>Top 15 exports</b>			<b>508,624,044.54</b>

Source: PCBS (for Palestine) and Comtrade via TradeSift (for the USA)

Looking also at RCAs for Palestine's top 15 export products only (Table 17), we find that the USA has a comparative disadvantage in all sectors except for polymers of ethylene (390190). However,

$$RCA_{iw}^k = \left( \frac{x_{iw}^k}{X_{iw}} \right) / \left( \frac{x_{ww}^k}{X_{ww}} \right)$$

where  $x_{iw}^k$  represents exports of sector k by country i to the world,  $X_{iw}$  denotes total exports from country i to the World, capital letter subscripts represent total flows of all goods.

<sup>11</sup> The definitions of all statistical indicators used in this report are taken from TradeSift.

Palestine's RCA level in this sector is higher than for the USA. This suggests that for Palestine's top world exports, the USA occupies a less important position globally than Palestine.

In line with *Rule of Thumb 3*, the differences in comparative advantage between Palestinian and US exports indicate that tariff exemption/reduction under USPTA or a future USA-Palestine FTA is likely to increase welfare for both countries.

**Table 17: Comparison of RCAs for Palestine's top 15 exports (2013)**

Product	Product Name	Palestine		USA		
		RCA	Exports PSE>WLD ('000s USD)	RCA	Exports USA>WLD ('000s USD)	Imports USA<WLD ('000s USD)
680229	Cut or sawn slabs of stone nes	5,168.94	100,590.85	0.25	6,438.96	14,443.21
121190	Plants & parts, pharmacy, perfume..	363.44	53,694.28	0.43	76,881.59	316,050.47
720430	Waste or scrap, of tinned iron or steel	574.73	41,715.68	0.63	73,320.77	32,211.86
392321	Sacks & bags (including cones) of ..	68.91	38,941.56	0.71	590,486.83	1,911,453.42
240220	Cigarettes containing tobacco	31.84	35,350.69	0.20	357,274.24	190,925.73
680221	Cut or sawn slabs of marble, traverti..	314.07	30,084.01	0.03	3,580.17	39,099.07
640199	Waterproof footwear(Wellington) no ..	1,476.12	26,238.01	0.41	7,909.19	15,896.35
251611	Granite, crude or roughly trimmed	395.47	21,865.64	0.29	23,823.51	8,511.04
940350	Bedroom furniture, wooden, nes	43.50	21,059.83	0.28	220,170.22	3,227,857.10
940429	Mattresses, stuffed, spring interior, etc	138.84	15,756.71	0.42	60,991.89	118,009.32
940161	Seats with wooden frames, uphols..	18.34	14,977.65	0.50	564,394.08	3,822,206.61
441520	Wooden pallets, box pallets and load..	101.05	13,680.45	0.37	68,539.83	72,098.58
760429	Bars, rods and other profiles, alumin..	26.38	13,611.49	0.76	608,378.37	377,671.94
690810	Glazed ceramic mosaic tiles, cubes &..	461.67	12,566.56	0.10	4,437.12	64,918.92
390190	Polymers of ethylene nes, in primary..	14.45	11,614.69	2.12	2,257,317.52	1,920,484.15
<b>Top 15 exports</b>			<b>451,748.09</b>		<b>4,923,944.28</b>	<b>12,131,837.75</b>

Source: PCBS (for Palestine) and Comtrade via TradeSift (for the USA)

Recalling our analysis of US applied tariff peaks on Palestinian exports to the world (Table 12), we now take a step forward and calculate RCA levels for these products in order to identify Palestinian exports with high applied AHS tariffs in the US market *and* a revealed comparative advantage for Palestine in the world.

As illustrated in Table 18, we have identified particularly high RCA levels for

- 640199: waterproof footwear
- 580900: woven fabric with metal threads
- 540791: woven yarn fabric with synthetic filament
- 080410: dates
- 040310: yogurt
- 620990: Babies garments & accessories

Table 18 also shows that the USA has a comparative disadvantage for most products. For the remaining products, the RCA levels are lower than for Palestine except for bovine cuts, sweet corn and tomato ketchup.

Finally, looking at the USA's and Palestine's trade volume, we find that US imports in these sectors are in most cases considerably higher than its exports, which points at a high demand in the US market. Furthermore, among the products listed in Table 18, Palestinian exports to the world in 2013 are high in the following sectors:

*>10 million USD*

- 640199: waterproof footwear
- 040310: yogurt

*>5 million USD*

- 080410: dates
- 170490: sugar confectionary
- 640419: footwear with rubber/plastic sole
- 220290: non-alcoholic beverages

*>1 million USD*

- 940490: bedding
- 540791: woven yarn fabric with synthetic filament articles
- 040390: buttermilk
- 691110: porcelain/china table- and kitchenware
- 070610: carrots and turnips
- 150790: soya-bean oil
- 611030: pullovers, cardigans etc.

**Table 18: Palestine's RCAs for products with tariff peaks in the USA (2013)**

Product	Product Name	Palestine		USA		
		Export PSE>WLD (‘000s USD)	RCA	Export USA>WLD (‘000s USD)	Imports USA<WLD (‘000s USD)	RCA
020220	Bovine cuts bone in, frozen	128.06	1.66	342,970.7150	31,008.50	4.71
040310	Yogurt	10,386.29	69.74	32,041.7480	31,516.88	0.16
040390	Buttermilk, curdled milk, ..	1,567.97	12.44	114,685.0630	3,685.15	0.64
040620	Cheese, grated or powder..	768.13	8.39	237,936.1530	1,226.73	1.81
070610	Carrots and turnips, fresh ..	1,298.74	17.60	130,806.1760	75,450.46	1.38
071010	Potatoes, frozen, ..	83.55	9.10	30,014.9080	1,213.30	2.12
071040	Sweet corn, frozen, unco..	21.46	1.06	69,488.7840	28,885.43	2.26
071080	Vegetables, frozen nes, un..	899.14	4.79	48,845.6750	574,328.03	0.19
071220	Onions, dried, not further..	613.22	28.60	80,354.9710	9,325.86	2.74
071490	Arrowroot, salep, etc fresh..	69.21	3.27	13,337.0990	123,360.38	0.46
080410	Dates, fresh or dried	7,169.17	154.29	39,400.8570	32,533.72	0.95
110290	Cereal flour except wheat,..	55.98	2.52	24,832.2990	32,716.03	0.77

150790	Refined soya-bean oil, no..	1,170.47	10.99	194,827.9890	67,114.92	1.09
160413	Sardine, brisling, sprat pr..	113.12	2.07	2,832.6140	121,070.87	0.03
170490	Sugar confectionery not c..	6,825.73	12.23	425,862.0680	1,420,883.77	0.57
200290	Tomatoes nes, prepared ..	354.65	1.86	276,742.9760	14,686.56	1.12
200799	Jams, fruit jellies, purees ..	164.78	1.09	67,254.1250	201,200.92	0.33
210320	Tomato ketchup and othe..	150.01	1.55	270,824.5710	65,112.86	2.02
210500	Ice cream and other edibe ..	470.26	2.50	132,802.4170	71,997.44	0.52
220290	Non-alcoholic beverages ..	6,040.63	10.53	623,242.5780	496,379.56	0.84
450390	Natural cork articles other..	26.28	11.07	5,137.6450	912.60	1.53
540110	Sewing thread of synthetic..	269.20	4.99	80,774.3330	31,858.57	1.00
540753	Woven fabric >85% ..	67.43	1.74	15,991.1340	40,579.94	0.29
540791	Woven fabric synthetic ..	2,509.15	478.41	1,486.8910	4,387.96	0.21
551219	Woven fabric >85% ..	366.52	4.50	22,485.2100	24,620.24	0.18
580900	Woven fabric incorpor..	676.06	499.64	1,549.7100	1,477.00	0.71
610439	Womens, girls jackets & ..	56.99	1.29	5,324.1790	22,030.05	0.09
611030	Pullovers, cardigans etc o...	1,142.37	1.14	170,065.7560	4,699,479.51	0.11
620291	Womens, girls anoraks ..	96.19	12.10	2,664.3060	40,953.24	0.19
620319	Mens, boys suits, of ..	55.49	1.94	2,980.2080	28,000.80	0.07
620419	Womens, girls suits, of ..	40.13	2.58	2,680.7830	7,990.99	0.08
620459	Womens, girls skirts, of ..	282.98	7.89	5,989.0240	107,090.92	0.10
620469	Womens, girls trousers, ..	1,030.80	8.46	23,185.0140	574,449.00	0.11
620811	Womens, girls slips etc, of..	58.22	22.17	3,007.6120	6,737.80	0.73
620920	Babies garments, accesso..	334.30	4.39	10,699.9110	412,419.82	0.09
620930	Babies garments, accesso..	592.97	20.91	2,471.9940	101,748.86	0.07
620990	Babies garments, accesso..	606.05	63.43	3,347.5850	12,141.01	0.26
640110	Waterproof footwear (Wel..	94.21	8.49	6,945.6150	25,480.09	0.48
640199	Waterproof footwear(Wel..	26,238.01	1,476.12	7,909.1850	15,896.35	0.41
640419	Footwear,sole rubber/..	6,724.77	8.70	59,434.3220	2,599,444.31	0.06
690510	Roofing tiles, ceramic	340.04	8.59	5,988.6250	15,242.72	0.11
691110	Tableware and kitchenwa..	1,497.18	6.32	46,876.9090	392,688.88	0.13
731811	Screws, coach, iron or steel	45.94	3.47	17,509.9630	22,865.07	0.86
870432	Spark ignition engine truc..	780.78	14.65	364,565.5380	237,622.81	6.34
940490	Articles of bedding nes	1,701.31	3.19	228,346.6420	2,166,824.92	0.30
960310	Brooms/brushes of vegeta..	23.07	2.70	5,954.3800	22,377.69	0.48

Source: PCBS (for Palestine) and Comtrade via TradeSift (for the USA)

As previously outlined, most of Palestine's export products enter the US market at a zero tariff rate. Among the sectors in Table 18, the products subject to customs duties are bovine cuts, yogurt, buttermilk, grated/powdered cheese, sugar confectionary, ice cream and non-alcoholic beverages.

In order to "reveal" the comparative advantage of Palestinian exports in the US market in particular, we can use the **bilateral RCA**, which indicates how much Palestine is exporting to the USA relative to how much the world is exporting to the USA. A bilateral RCA above 1 reveals a

comparative advantage for Palestinian exports in the US market, compared with the rest of the world.<sup>12</sup>

Table 19 shows the calculated bilateral RCAs for 2013 above 1 and with an exported value above 10 thousand USD, revealing a comparative advantage for many products currently exported to the USA.

Among the listed products, Palestine has particularly high RCA levels for granite, chicory, plants & parts thereof, vegetables nes (071190), onions and shallots, wooden statuettes, dates, slabs of stone, olive oil, oranges, sausages and spices.

In most sectors, the USA's imports are higher than its exports, which points at an existing demand for these products in the US market. US imports are considerably higher vis-à-vis its exports in the sectors plants & parts thereof, olive oil, wooden statuettes, slabs of stone, mushrooms, vegetables (070990), guavas & mangoes, spices, peppers, footwear (640351) and sewing machines for wood.

The USA applies a zero tariff rate on all products listed in the table.

**Table 19: Bilateral RCAs for Palestinian exports to the USA (2013)**

Product	Product Name	Palestine			USA		
		RCA	Exports PSE>USA ('000s USD)	Exp.Share PSE->USA	Imports USA<WLD ('000s USD)	Exports USA>WLD ('000s USD)	Applied AVE tariff on imports from Palestine
121190	Plants & parts, pharmac..	4,808.19	6,627.52	64.38%	345,449.69	77,727.38	0.00%
070310	Onions and shallots, fres..	471.00	1,021.89	9.93%	364,057.66	257,801.23	0.00%
251611	Granite, crude or roughl..	18,314.34	792.04	7.69%	10,091.64	21,363.07	0.00%
150910	Olive oil, virgin	160.73	656.25	6.37%	799,365.69	20,807.64	0.00%
442010	Wooden statuettes and o..	294.89	359.87	3.50%	203,070.69	10,829.63	0.00%
190590	Communion wafers, rice..	24.09	225.79	2.19%	2,068,528.87	1,625,100.25	0.00%
080510	Oranges, fresh or dried	143.65	89.57	0.87%	176,730.63	663,673.22	0.00%
070529	Chicory, fresh or chilled..	10,334.31	88.02	0.86%	2,788.12	9,521.89	0.00%
071190	Vegetables nes and mix..	926.45	77.74	0.76%	13,579.06	11,561.80	0.00%
680229	Cut/sawn slabs of stone	182.73	46.26	0.45%	15,857.47	7,940.74	0.00%
392310	Plastic boxes, cases, etc	5.41	45.13	0.44%	1,011,336.33	1,642,813.46	0.00%
080410	Dates, fresh or dried	255.84	41.79	0.41%	35,687.73	45,706.84	0.00%
070951	Mushrooms, fresh or chi..	34.98	32.83	0.32%	149,549.33	41,636.49	0.00%
070990	Vegetables, fresh or chil..	7.25	24.14	0.23%	558,475.30	216,424.89	n.a.
160100	Sausages, similar prod..	88.88	20.14	0.20%	42,783.86	579,926.19	0.00%
080450	Guavas, mangoes and ..	8.73	19.00	0.18%	501,254.03	39,416.17	0.00%
091099	Spices nes	54.09	16.40	0.16%	79,824.35	26,951.88	0.00%
070960	Peppers (Capsicum, Pim..	2.31	15.15	0.15%	1,293,980.59	220,432.51	0.00%
640351	Footwear, soles, uppers..	4.03	12.00	0.12%	487,935.91	24,583.46	0.00%

$$BRCA2_{ij}^k = \left( \frac{x_{ij}^k}{X_{ij}} \right) / \left( \frac{x_{wj}^k}{X_{wj}} \right)$$

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846591	Sawing machines for wo..	4.53	10.18	0.10%	436,098.68	76,607.09	0.00%
Others		-	72.51	0.70%	-	-	-
Total		-	10,294.21	100.00%	8,596,445.60	5,620,825.80	-

Source: PCBS (trade data for Palestine) and Comtrade via TradeSift (trade data) for the USA); ITC Market Access Map (AVE tariff data)

In the discussion above we outlined how trade creation could occur either on the production side (i.e. trade displacing domestic production), or on the consumption side (increased imports arising from lower partner country prices). The extent to which the former will occur depends on the degree of overlap in production and trade structures across the two economies, and on the differences in relative costs of production between them (*Rule of Thumb 3* and *Rule of Thumb 4*). To measure the degree of similarity between the two partners, we use the **Finger-Kreinin Index (FKI)**<sup>13</sup>. The FKI is equal to one when the structure of trade (defined by the share of each sector in total trade) across the two partners being compared is identical and is equal to zero when the structure of trade is completely different.

If we compare US and Palestinian exports to the world, the FKI calculated at the HS 1996 6-digit level for the year 2013 is low at 0.102. This suggests that in terms of the export structure, the two trading partners are highly dissimilar. This would appear to suggest that on the production side there is not much evidence of scope for trade creation.

<sup>13</sup> This is an index which is designed to capture the degree of similarity between a pair of countries either with regard to trade or production structures. Ideally we would like to be able to compute the index on patterns of production as that is the most direct way of addressing the fourth rule of thumb. However, the data is not available. Following common practice we compute the index on the basis of trade flows, and use trade flow similarity as an imperfect proxy for production structure similarity. This index is typically computed at the 6-digit level of disaggregation.

$$FKI_{i_1 i_2 j} = \sum_k \min \left[ \left( \frac{x_{i_1 j}^k}{X_{i_1 j}} \right), \left( \frac{x_{i_2 j}^k}{X_{i_2 j}} \right) \right]$$

where  $i_1$  and  $i_2$  to the two source countries and  $j$  to the destination country.  $x^k$  refers to the trade flow in product  $k$ ;  $X$  to the total trade flow, so  $x_{i_1 j}^k / X_{i_1 j}$  is the share of product  $k$  in country  $i_1$ 's total exports to the destination partner ( $j$ ).  $x_{i_2 j}^k / X_{i_2 j}$  is the share of product  $k$  in the comparator country's ( $i_2$ ) total exports.

## Deep integration

In analysing the impact of USPTA, it is important to consider not just the implications of the removal of tariff barriers, but also the implications of the removal of non-tariff barriers and the opportunities for positive or deeper integration. These may deal, for example, with regulatory harmonisation, with investment rules, with liberalisation of services, and with measures of trade defence. The welfare gains from a process of deeper integration are likely to be considerably higher than those derived simply from a process of shallow integration. The possible range of further gains often associated with deeper integration include: technology transfer and diffusion both through trade and foreign direct investment (FDI); pro-competitive gains from increasing import competition in an environment of imperfect competition, which may also allow greater exploitation of economies of scale in production; the increased geographical dispersion of production through trade that supports (i) exploitation of different factor proportions for different parts of the production process (Ricardian efficiency gains) and/or (ii) local economies of scale through finer specialization and division of labour in production (Smithian efficiency gains); and externalities arising from institutional changes that lead to wide increases in productivity.<sup>14</sup>

It is more likely that the potential for deeper integration gains will be achieved the greater is the realisation of a “common economic space” as a result of an FTA. This common economic space requires both removal of barriers to trade that operate beyond borders (e.g. discriminatory taxes and regulations) and action to undertake common policies needed for dealing with the existence of public goods and externalities. Of course, the impact of deep integration will clearly depend on whether the norms adopted are appropriate — i.e., generate positive externalities and promote trade. Broadly speaking, adopting appropriate standards is synonymous with finding the appropriate intuitional framework for dealing with externalities.<sup>15</sup>

## Instruments of deep integration in USPTA

We have previously discussed that USPTA is not considered a trade agreement but rather an extension of the US-Israeli trade agreement USIFTA. Therefore, USPTA is limited to tariff measures, while behind-the-border measures in order to facilitate and enhance trade between the two countries are not part of the arrangement. At the same time, there is no Joint Palestinian-US Committee to identify mechanisms for economic cooperation, deal with obstacles to trade, or discuss the possibility of implementing a USA-Palestine FTA, among others.

Nevertheless, the USA has been a very strong partner in development cooperation to Palestine. Committed to private sector-led growth, it has supported a number of programs for export development, investment cooperation, and the creation of a positive business environment in Palestine. These programs have predominantly been supported by its agency responsible for

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<sup>14</sup> CARIS (2007), Qualitative Analysis of a Potential Free Trade Agreement between the European Union and India.

<sup>15</sup> Ibid.

administering civilian foreign aid, the United States Agency for International Development (USAID).

Within the programs for economic growth and trade, USAID focuses on increasing the availability of investment capital, developing a business enabling environment, providing education and access to new technologies and management skills, improving the movement of people and cargo through crossing points between Israel and the West Bank and Gaza, increasing the competitiveness and export potential in key sectors, boosting tax and customs revenue mobilization through fiscal reforms, and helping to eliminate regulatory constraints by developing partnerships between the private and public sector.

In the framework of its gender equality and women's empowerment projects in Palestine, USAID places emphasis on supporting female entrepreneurs, for example by providing trainings to female-led small businesses or in traditionally male-dominated work fields.

Furthermore, Overseas Private Investment Cooperation (OPIC) is a private institution working under USAID which is dedicated to providing low-cost financing and political risk insurance to businesses seeking to invest in emerging markets. As one of the biggest bilateral development finance institutions operating in Palestine, OPIC has recently announced to increase its support in promoting investment in Palestine.

The US based initiative Middle East Investment Initiative (MEII) was created in 2005 through efforts of the Aspen Institute Middle East Strategy Group, under the leadership of former Secretary of State Madeleine Albright and Senators Dianne Feinstein and Chuck Hagel, in which principals from the Overseas Private Investment Corporation (OPIC) and the Palestine Investment Fund (PIF) participated. The initiative has developed programs that significantly contributed to improving the investment environment in Palestine, including:

Loan Guarantee Facility: In 2007, MEII launched a ten-year Loan Guarantee Facility (LGF) to stimulate bank credit to primarily small and medium sized enterprises (SMEs) in Palestine.

Palestinian Political Risk Insurance: In cooperation with American, Palestinian and Israeli partners, MEII created an insurance product, Palestinian Political Risk Insurance (PPRI), to protect Palestinian exports against losses from certain political and security risks. The pilot program was launched in March 2013 for a period of five years.

Sida Guarantee Facility: Together with The Swedish International Development Cooperation Agency (Sida), MEII launched a multi-million, multi-year guarantee facility and technical assistance program (SGF) to support and develop the economies of East Jerusalem, the Gaza Strip and Area C of the West Bank.

In a nutshell, US initiatives to support the Palestinian private sector have considerably contributed in improving the business and investment environment in Palestine, and enhancing Palestinian exports. Nevertheless, a framework is needed to coordinate private sector support and regulate

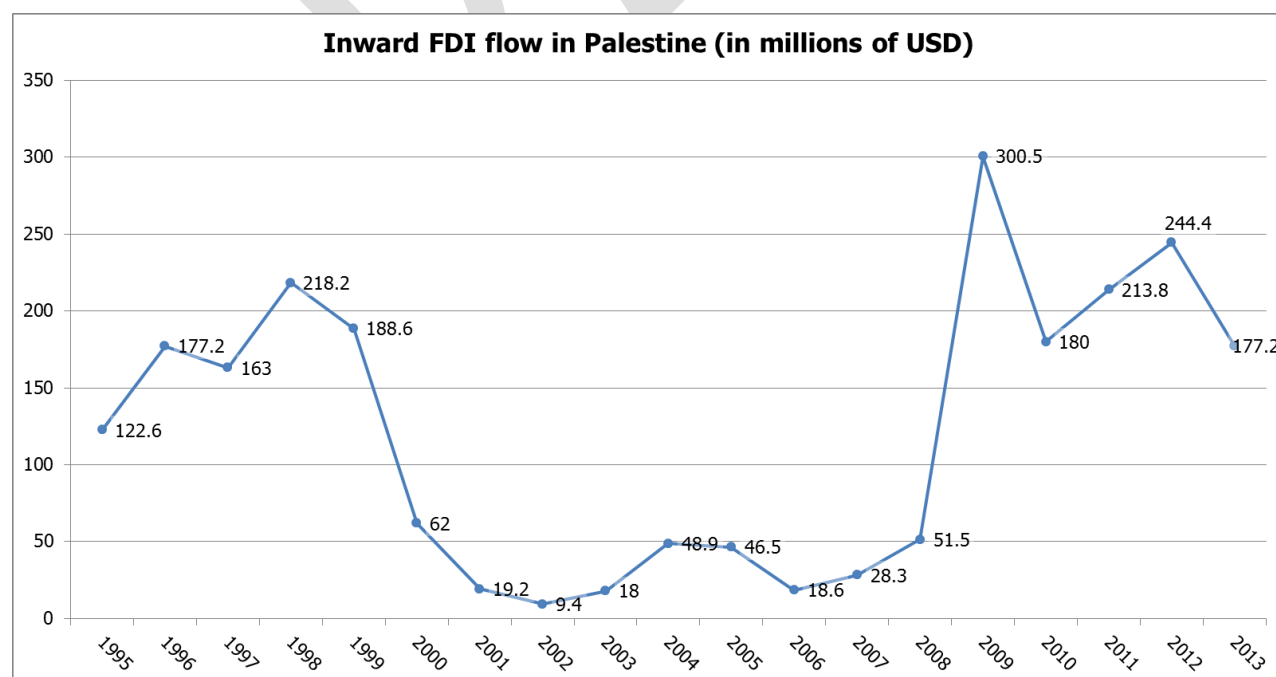
cooperation between the USA and Palestine, based on the establishment of a bilateral FTA and related Joint Committee in order to address the specific needs of Palestinian businesses and related institutions.

## Foreign direct investment (FDI)

FDI plays an important role in generating additional gains from deep integration because it is an important channel for productivity change via technology and know-how transfers, quality improvement and specialisation. Palestine has created a framework of economic laws to encourage and support foreign and local investment in Palestine. The implementing agency is the Palestinian Investment Promotion Agency (PIPA). These laws have been drafted to help protect potential investors from undue risk and to promote the profitability of their investment. The “Law on the Encouragement of Investment in Palestine. Law No. (1) of 1998” and amendment to this in the “Presidential Decree No. (7) for the year 2014” encourage capital investment in all sectors of the Palestinian economy by both local and foreign corporations registered to do business in Palestine.

As illustrated in Figure 15 below, FDI inflows in Palestine have been very low between 2000 and 2008. With a value of 300 million USD, FDI flows reached a peak in 2009. In 2013, the value of FDI in Palestine was 177.2 million USD. Financial intermediation and services and transport attracted almost all this FDI. Jordan and Qatar have been the pre-dominant sources of this FDI, followed by Egypt, USA, United Arab Emirates and other countries.

**Figure 15: Inward FDI flow in Palestine 1995-2013**



Source: UNCTAD

## Intra-industry trade (IIT)

A key indicator of existing deep integration is the degree to which intra-industry trade (IIT) is taking place. IIT is defined as the simultaneous import and export of goods of the same kind. The standard measure of IIT is the Grubel-Lloyd Index (GLI) introduced by Grubel and Lloyd (1975)<sup>16</sup>. It measures the overlap of imports and exports at a given aggregation level. Unlike the FKI, the IIT index can be calculated at the disaggregated level for individual sectors, sub-sectors or products. On the basis of these calculations, a summary measure which averages across the selected sectors (or sub-sectors or products) can also be calculated. The value of the GLI ranges between 0 and 1, with higher values indicating greater IIT and potential for deeper integration.

The GLI for trade between countries  $i$  and  $j$  in good  $k$ , is given by:

$$GL_{ij}^k = 1 - \left( \frac{|x_{ij}^k - m_{ij}^k|}{x_{ij}^k + m_{ij}^k} \right)$$

where  $x_{ij}^k$  and  $m_{ij}^k$  denote exports and imports from/by country  $i$  to/from country  $j$  of commodity  $k$ .

The GLI across all goods is given by

$$GL_{ij} = \sum_k GL_{ij}^k \left( \frac{x_{ij}^k + m_{ij}^k}{X_{ij} + M_{ij}} \right) = 1 - \frac{\sum_k |x_{ij}^k - m_{ij}^k|}{X_{ij} + M_{ij}}$$

which averages the GLI across all goods. The average GLI can either be weighted by the share of each good in total trade between country  $i$  and country  $j$ , as in the above formula, or it can be an unweighted average.

The GLI measures what proportion of trade is ‘overlapping’. Looking first at the extreme cases, if all the trade in sector  $k$  is one-way trade, so either  $x_{ij}^k$  or  $m_{ij}^k$  is zero, then  $GL_{ij}^k = 0$ ; similarly, if all the trade in every sector is one-way trade, then  $GL_{ij} = 0$  i.e. all trade is ‘inter-industry’ trade. At the other extreme, if trade in sector  $k$  is equal in both directions, i.e.  $x_{ij}^k = m_{ij}^k$ , then  $GL_{ij}^k = 1$ ; and if trade in every sector is equal in both directions, then  $GL_{ij} = 1$  i.e. all trade is ‘intra-industry’ trade.

Additionally, the rate of growth of IIT is also an indicator of the potential for further deep integration. Broadly, IIT takes three forms. First, it is the exchange of similar goods (with the same trade heading) of roughly similar qualities and prices; secondly, it is the exchange of similar goods of different qualities and prices; thirdly, it is the exchange of goods within a trade classification that represents a vertically integrated supply chain (parts for finished or partly finished goods). Each of these represents a way in which economic integration can encourage the niche

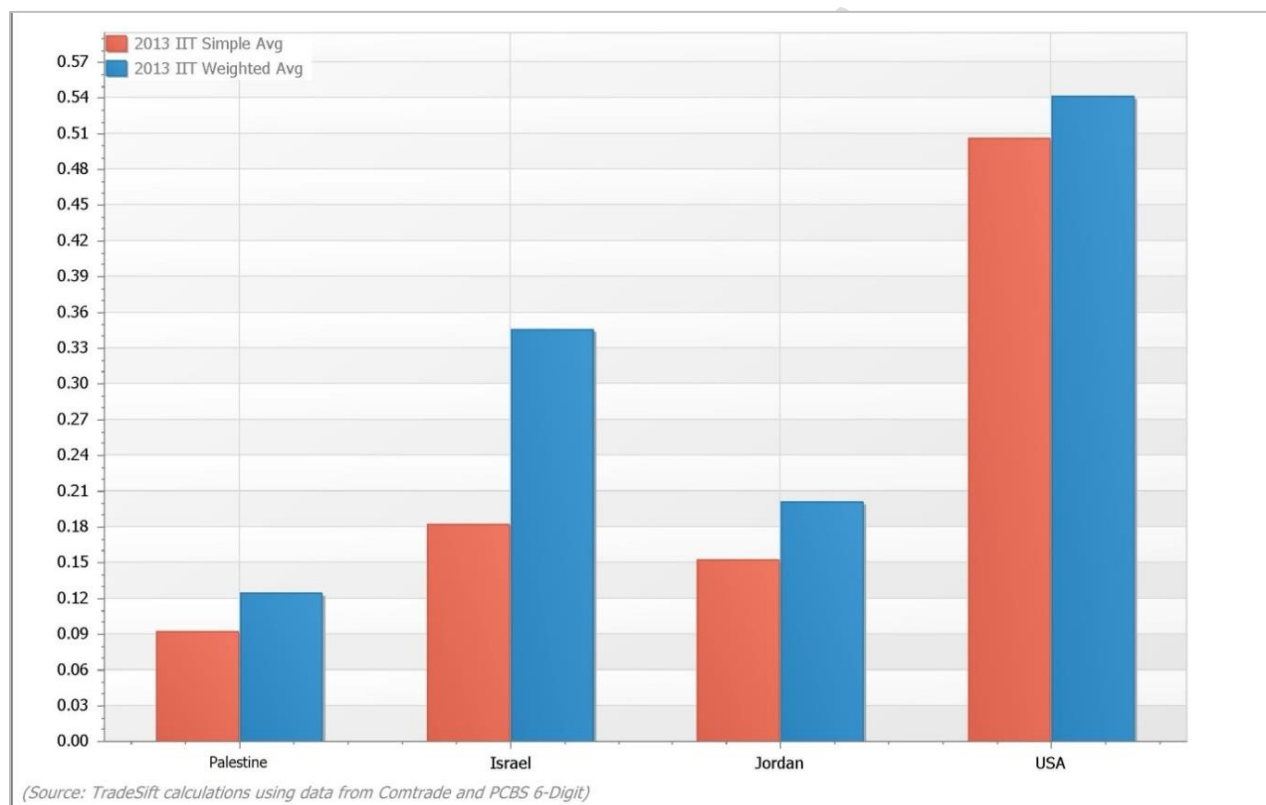
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<sup>16</sup> Grubel, H.G. and P.J. Lloyd (1975). *Intra-industry trade: the theory and measurement of international trade in differentiated products*. New York: Wiley.

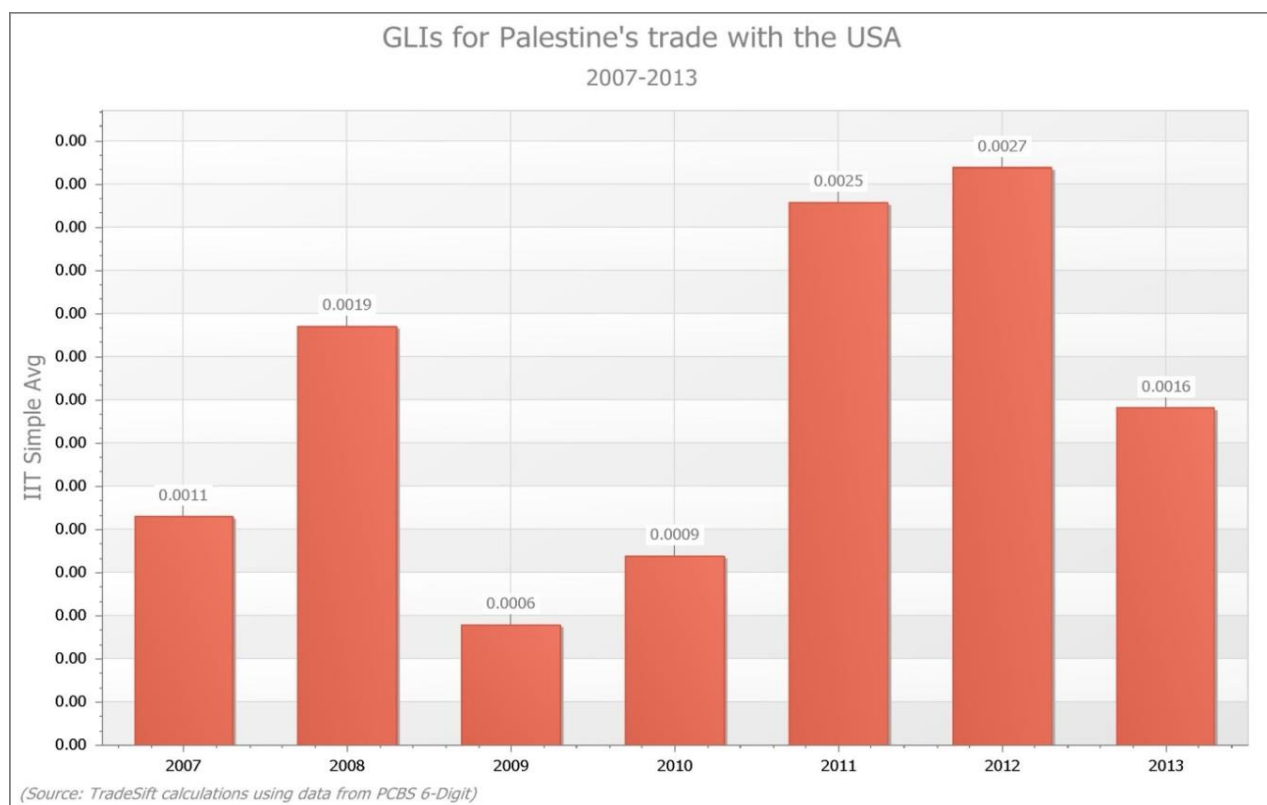
specialisation that generates productivity gains. These gains represent the main advantages of deep integration and compensate for any losses to trade diversion from shallow integration.

Figure 17 reports the simple average and weighted average GLI for Palestine, Israel, Jordan and Palestine in 2013 looking at each country's trade with the world. With the calculated GLI of only 0.286, Palestine lags well behind Israel (0.927) and Turkey (0.784), in the extent of its two-way trade with the world.

**Figure 16: Comparative GLIs for Palestine, Israel, Jordan and the USA (2013)**



Next we look at the extent of deep integration in Palestine's trade with the USA. Figure 17 shows the simple average GLIs over 2007-2013 while Table 18 reports the disaggregated sectoral GLIs over the same time period. The extremely low level of GLIs the Palestine-Turkey simple average GLI (less than 0.003) confirms the story from the RCA indicators of little direct overlap between US and Palestinian trade patterns and competitiveness. This said, we find that the potential for increased IIT is limited, especially if behind-the-border barriers remain in place due to the non-existence of a bilateral FTA between the USA and Palestine.



Looking now at GLIs for Palestinian exports at the 6-digit level (Table 20), we find that between 2007 and 2013 there has been IIT in the sectors sugar confectionary, sweet biscuits, waffles and communion wafers, food preparations, flavoured beverage waters and plastic articles.

**Table 20: GLI levels for Palestinian exports to the USA (Table 12)**

Year	Product	Product Name	IIT	Imports PSE<USA ('000s USD)	Exports PSE>USA ('000s USD)
2010	170490	Sugar confectionery not chewing gum, no cocoa ..	0.51	54.68	18.65
2012	190530	Sweet biscuits, waffles and wafers	0.86	47.82	64.00
2011	190530	Sweet biscuits, waffles and wafers	0.37	21.86	96.77
2013	190590	Communion wafers, rice paper, bakers wares nes	0.66	111.02	225.79
2010	210690	Food preparations nes	0.09	289.21	14.17
2012	220210	Beverage waters, sweetened or flavoured	0.14	376.15	28.08
2007	392690	Plastic articles nes	0.31	30.04	165.35

*Note:* Table contains only products with an exported value higher than 10 thousand USD.

*Source:* PCBS

## **Assessment of non-tariff barriers (NTBs) to trade**

An assessment of “behind-the-border” issues and regulatory impediments is necessary to evaluate the possibilities for deep integration in an FTA. It is important to point out beforehand that provisions targeting “behind-the-border” issues are not included in USPTA. Therefore, the non-existence of a bilateral FTA concluded between the USA and Palestine, which includes both shallow and deep integration related measure that match the specific needs of Palestinian exporters and importers, can be considered the major NTB to trade between the USA and Palestine.

Furthermore, an initial assessment of NTBs for Palestinian exporters has revealed that while no import-related measures applied by the USA were reported, exporters are facing several export-related obstacles.

In order to export to the USA, Palestinian companies need to submit Form A from the local Chamber of Commerce and the International Security Form (ISF), last of which needs to be sent to the clearance agent prior to the shipment. Receiving, filling in and submitting these documents is not perceived an obstacle.

On the other hand, it is often perceived burdensome receiving export certification, which was reported especially for the Health Certificate available at the Ministry of Health. In other cases it was reported that there is a lack of standards and regulations, as well as accredited certification bodies in Palestine, especially in the handicrafts sector, forcing exporters to get their produce certified by international or Israeli bodies. As we have revealed a high comparative advantage for Palestinian exports of porcelain/china table- and kitchenware, this obstacle may be of relevance.

Finally, as the number one export product to the USA, particular attention needs to be directed toward obstacles perceived for exporters of plants & parts thereof (herbs, especially fresh herbs). On the one hand, Palestinian herbs producers are applying high quality standards and therefore do not encounter obstacles regarding the compliance with quality requirements in the US market (as opposed to Israeli produce in the herbs sector). On the other hand, we have assessed a general lack of marketing strategies along with the character of Palestinian herbs companies, which are predominantly small and medium enterprises, uncoordinated among each other and therefore unable to export. Because there is no Palestinian company that markets and exports herbs produce, many Palestinian companies have turned to Israeli exporters instead, depriving them from determining market prices or promoting the high standards and quality of Palestinian produce.

In the agricultural sector in general, and herbs sector in specific, Palestinian exporters are facing damage or loss of products due to the back-to-back system required according to Israeli security standards. In a long term, an export hub established in Area C (e.g. in the Jordan Valley), based on coordination with the Israeli side, may facilitate exports.

## Summary and Conclusions

While Palestine accounted for only 0.0004% of US imports and 0.0027% of its exports in 2013, the USA is a more significant trade partner for Palestine: 0.82% of Palestinian imports are sourced in the USA and 1.14% of Palestine's exports are directed to the US market. In line with *Rule of Thumb 5*, the low import shares suggest that further trade liberalization under USIFTA or a USA-Palestine FTA is not likely to enhance welfare in both countries.

Ever since signing USPTA, we find that Palestinian trade shares have decreased for imports from the USA and only slightly (by 0.68%) increased for exports to the USA, indicating that the impact of USPTA on Palestinian trade has been low, if not insignificant.

In our analysis on the structure of trade between Palestine and the USA between 1996 and 2013, we have illustrated that prior to 2007, exports were concentrated with stone and marble and olive oil, while between 2007 and 2013, top export products were plants and parts thereof (herbs and fresh herbs in particular) and spices, which together accounted for 39% (20.4 million USD) of Palestine's exported value during this period, followed by olive oil (23%) and stone, marble and granite products (17%).

While imports from the USA before 2007 were concentrated with cigarettes and wheat, top imported products between 2007 and 2013 were rice, medicaments and automobiles.

As revealed by the low FKI level calculated for the two economies, the lack of similarity between the production structures in the USA and Palestine suggests there is little scope for trade creation on both sides (*Rule of Thumb 4*).

*Rule of Thumb 3* suggests that the wider the differences in comparative advantage between partner countries, the more likely it is that the FTA enhances welfare. Our RCA analysis has revealed little similarity in patterns of comparative advantage between for Palestine and the USA, which in turn suggests the likelihood of USPTA or a future USA-Palestine FTA enhancing welfare in both countries.

Our tariff analysis shows that at the total trade level, Israeli and US tariffs have been low throughout time. In 2012, average applied tariffs were 2.9% in the USA and 4.7%, compared to 5.5% in the USA and 2.5% in Israel in 1996 and 1999 (tariff data for Israel before 1999 not available). In line with *Rule of Thumb 1*, this would suggest that the extent of trade creation for Palestine and the USA under USPTA or a future USA-Palestine FTA is low. However, a deeper analysis of certain products and tariff lines reveals that there is considerable potential for trade creation for both countries.

As discussed above, Palestine's tariff policy is the same as applied in Israel, limiting the scope of tariff measures that can be undertaken by Palestine to list A1 in Paris Protocol. Therefore, although we have identified considerable potential for trade creation for US exports of meat and dairy produce, Palestine is likely to continue sourcing these products predominantly in Israel as long as Israel does not lower its tariffs in these sectors. In the event of trade liberalization under USIFTA,

trade may shift away from Israel towards the USA, especially in sectors where the USA is a close competitor to Israel (*Rule of Thumb 6*).

Looking now at the USA's applied tariffs on imports from the world, we identified many sectors with tariff peaks in the USA and for products that are exported by Palestine, especially in the sectors dairy, fruit, vegetables, processed food, tobacco, leather, textile, footwear, and table-, kitchen- and glassware. Palestinian exports in the industrial sectors are exempted from tariffs in the USA, while the following agricultural and processed food products are still subject to customs duties in the US market:

**Table 21: US applied tariffs on imports from Palestine (2013)**

Product	Product Name	Palestine's exports (in '000s USD)		The USA's applied tariffs on world imports				US applied tariffs on imports from Palestine
		PSE→WLD	PSE→USA	Simple av. AHS Tariff	Total Lines	Dom. Peaks	Intern. Peaks	Applied AVE tariff
020220	Bovine cuts bone in, frozen	128.06	0.00	2.35%	49	3	1	6.60%
040310	Yogurt	10,386.29	0.12	13.22%	48	25	25	10.84%
040390	Buttermilk, curdled milk, ..	1,567.97	0.00	8.35%	160	10	10	28.64%
040620	Cheese, grated or powder..	768.13	0.00	9.34%	266	56	37	13.02%
040690	Cheese except fresh, grate..	63.56	4.48	8.86%	2650	558	285	13.43%
170490	Sugar confectionery not c..	6,825.73	0.00	6.58%	968	281	0	7.67%
190110	Infant foods of cereals, flo..	50.08	0.00	10.11%	120	48	36	18.71%
210500	Ice cream and other edibe ..	470.26	0.00	15.56%	189	108	108	10.82%
220290	Non-alcoholic beverages ..	6,040.63	0.00	11.62%	666	148	148	4.69%

Source: PCBS and WTO IDB via WITS

We have as well conducted an analysis on Palestine's RCAs for products with tariff peaks in the USA, identifying particularly high RCA levels for the following 6 sectors:

**Table 22: Products with US tariff peaks and very high RCA levels for Palestine**

Product	Product Name	Palestine		USA				
		Export PSE>WLD ('000s USD)	RCA	Export USA>WLD ('000s USD)	Imports USA<WLD ('000s USD)	RCA	Applied AHS tariffs on WLD	Applied AVE tariffs on PSE
040310	Yogurt	10,386.29	69.74	32,041.7480	31,516.88	0.16	13.22%	10.84%
080410	Dates, fresh or dried	7,169.17	154.29	39,400.8570	32,533.72	0.95	22.35%	0.00%
540791	Woven fabric synthetic ..	2,509.15	478.41	1,486.8910	4,387.96	0.21	15.30%	0.00%
580900	Woven fabric incorpor..	676.06	499.64	1,549.7100	1,477.00	0.71	13.33%	0.00%
620990	Babies garments, accesso..	606.05	63.43	3,347.5850	12,141.01	0.26	8.90%	0.00%
640199	Waterproof footwear(Wel..	26,238.01	1,476.12	7,909.1850	15,896.35	0.41	22.66%	0.00%

Source: PCBS (trade data for Palestine), Comtrade via TradeSift (trade data for the USA)

Among the products with high RCA levels for Palestine, we find that although the USA applies tariff peaks on world imports, its applied tariffs on imports from Palestine are zero except for yogurt. On the one hand, this means that there is likelihood for shallow integration induced trade

creation in the yogurt sector, where US applied tariffs are relatively high (10.9%) (*Rule of Thumb I*).

On the other hand, because the USA applies tariff peaks in all sectors listed in Table 22 (and zero tariffs on its imports from Palestine), Palestine appears to have a competitive advantage vis-à-vis other countries exporting to the USA. This is the case especially for the sectors waterproof footwear and dates, where the USA applies high tariff rates at 22-23%.

The USA's revealed comparative disadvantage for all 6 products confirms the hypothesis of Palestine having potential to create and/or enhance trade in the US market.

Besides the products mentioned in Table 22, we have also discussed other Palestinian exports with lower, but existing RCA levels, high exported values (above 1 million USD) as well as identified tariff peaks in the US market:

**Table 23: Products with US tariff peaks, identified RCAs and high exported values**

Product	Product Name	Palestine		USA				
		Export PSE>WLD ('000s USD)	RCA	Export USA>WLD ('000s USD)	Imports USA<WLD ('000s USD)	RCA	Applied AHS tariffs on WLD	Applied AVE tariffs on PSE
040390	Buttermilk, curdled milk, ..	1,567.97	12.44	114,685.0630	3,685.15	0.64	8.35%	28.64%
070610	Carrots and turnips, fresh ..	1,298.74	17.60	130,806.1760	75,450.46	1.38	2.13%	0.00%
150790	Refined soya-bean oil, no..	1,170.47	10.99	194,827.9890	67,114.92	1.09	7.81%	0.00%
170490	Sugar confectionery not c..	6,825.73	12.23	425,862.0680	1,420,883.77	0.57	6.58%	7.67%
220290	Non-alcoholic beverages ..	6,040.63	10.53	623,242.5780	496,379.56	0.84	11.62%	4.69%
611030	Pullovers, cardigans etc o...	1,142.37	1.14	170,065.7560	4,699,479.51	0.11	13.31%	0.00%
620469	Womens, girls trousers, ..	1,030.80	8.46	23,185.0140	574,449.00	0.11	9.31%	0.00%
640419	Footwear, sole rubber/..	6,724.77	8.70	59,434.3220	2,599,444.31	0.06	12.89%	0.00%
691110	Tableware and kitchenwa..	1,497.18	6.32	46,876.9090	392,688.88	0.13	8.46%	0.00%
940490	Articles of bedding nes	1,701.31	3.19	228,346.6420	2,166,824.92	0.30	5.48%	0.00%

Source: PCBS (trade data for Palestine), Comtrade via TradeSift (trade data for the USA)

As illustrated in the table above, the USA has a revealed comparative disadvantage in all sectors except for carrots and soya-bean oil. The USA's high world imports vis-à-vis world exports in the sectors sugar confectionary, pullovers & cardigans, womens & girls trousers, footwear (640419), table- and kitchenware and bedding articles points at an existing demand in these sectors in the US market.

Among the products listed in Table 23, the USA applies tariffs on Palestinian exports of buttermilk (28.6%), sugar confectionary (7.7%) and non-alcoholic beverages (4.7%). Based on Palestine's revealed comparative advantage and Palestine's high exported values in these sectors, we find that there is potential for shallow integration induced trade creation.

It should also be emphasized that the US applied AHS tariff rate on imports of tobacco products (240399) was very high at 306.3% vis-à-vis a zero tariff rate applied on imports from Palestine.

Considering that cigarettes (240220) were among Palestine's top 5 world exports in 2013, there might be considerable export potential in the tobacco sector.

In addition, in order to create trade, tariff measures must go along with behind-the-border measures. As discussed above, the USPTA does not cover essential instruments of deep integration, such as investment cooperation, SMEs, standards, cooperation in specific sectors, customs cooperation, and provisions on competition, intellectual property rights, sanitary and phytosanitary standards and public procurement.

On the other hand, we have highlighted that the USA has supported the development of a positive business and investment environment in Palestine through numerous initiatives targeting many of the above mentioned fields, and implemented by USAID or other public and private bodies based in the USA.

However, it is important to stress that efficient private sector support requires an extensive framework for cooperation in the form of a bilateral FTA between the USA and Palestine. The priority issue in enhancing trade with the USA should therefore be to prepare for negotiating such an FTA with the USA as a step toward addressing the specific needs of Palestinian exporters and the Palestinian private sector, as well as recognizing the Palestinians' right for statehood.

In the meantime, other obstacles perceived by Palestinian exporters to the USA should be addressed, most notably the burdensome procedures in order to receive export certification, the lack of standards and regulations, especially in the handicrafts sector, and the non-existence of a Palestinian company to market Palestinian herbs produce. In order to deal with these obstacles, Palestine should make use of provided benefits through USAID (financially and technically), as well as OPIC investments or other initiatives.

# Appendices

## *Annex I: Palestine-USA Free Trade Arrangement*

TO PROVIDE DUTY - FREE TREATMENT TO PRODUCTS  
OF THE WEST BANK AND THE GAZA STRIP  
AND QUALIFYING INDUSTRIAL ZONES

-----  
BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

### A PROCLAMATION

1. Section 9 (a) of the United States- Israel Free Trade Area Implementation Act of 1985, as amended (the "Act") (19 U.S.C. 2122 note), authorizes the President to proclaim elimination or modification of any existing duty under certain conditions as the President determines in necessary to exempt any article of the West or Gaza Strip or a qualifying industrial zone from duty.

2. Section 9(c) of the Act authorizes the President to proclaim that articles of Israel may be treated as though they were articles directly shipped from Israel for the purposes of the U.S.-Israel Free Trade Agreement (the "Agreement") even if shipped to the United States for the West Bank, the Gaza Strip or a qualifying industrial zone.

3. Section 9(d) of the Act authorizes the President to proclaim that the cost or value of materials produced in the West Bank, the Gaza Strip or a qualifying zone may be included in the cost or value of materials produced in Israel under section 1 (c) (i) of Annex 3 of the Agreement, and the direct costs of processing operations performed in the West Bank, the Gaza Strip or a qualifying industrial zone may be included in the direct costs of processing operations performed in Israel under section 1 (c)(ii) of Annex 3 of the Agreement.

4. Section 9(e) of the Act authorizes the President to specify areas that constitute qualifying industrial zones for purposes of the Act.

5. Pursuant to section 9(a) of the Act, I have determined that the Harmonized Tariff Schedule of the United States ("HTS") should be modified to provide duty-free entry to qualifying articles that are the product of the West Bank or Gaza Strip or a qualifying industrial zone and are entered in accordance with the provisions of section 9 of the Act.

6. I have decided that articles of Israel may be treated as though they were articles directly shipped from Israel for the purposes of the Agreement even if shipped to the United States from the West Bank, the Gaza Strip or a qualifying industrial zone, if the articles otherwise meet the requirements of the Agreement.

7. I have decided that the cost or value of materials produced in the West Bank, the Gaza Strip or a qualifying industrial zone may be included in the cost or value of materials produced in Israel under section 1 (c) (i) of Annex 3 of the Agreement, and the direct costs of processing operations performed in the West Bank, the Gaza Strip or a qualifying industrial zone may be included in the direct costs of processing operations performed in Israel under section 1 (c) (ii) of Annex 3 of the Agreement.

8. Section 604 of the Trade Act of 1974 (19 U.S.C. 2483) authorized by the President to embody in the HTS the substance of the provisions of that Act, and of other acts affecting import treatment, and actions thereunder.

NOW, THEREFORE, I, WILLIAM J. CLINTON, President of the United States of America, acting under the authority vested in me by the Constitution and the laws of the United States of America, including by not limited to section 301 of title 3, the United States Code, section 9 of the Act (19 U.S.C. 2122 note), and section 604 of the Trade Act of 1974 (19 U.S.C. 2483), do proclaim that:

(1) In order to provide the tariff treatment being accorded under the Act, the HTS is modified as set forth in the Annex to this proclamation.

(2) I delegate to the United States Trade Representative the powers granted to me in section 9 (e) of the Act to specify through notice in the Federal Register areas constituting qualifying industrial zones.

(3) The modifications to the HTS made by the Annex shall be effective with respect to goods entered, or withdrawn from

## ANNEX

### MODIFICATIONS TO GENERAL NOTES 3 AND 8 TO THE HARMONIZED TARIFF SCHEDULE OF THE UNITED STATES

Effective with respect to goods entered, or withdrawn from warehouse for consumption, on and after the third day after the date of publication of this proclamation in the Federal Register:

1. General note 3(a)(i) is modified by deleting "subparagraph (iv)" and by inserting in lieu thereof "subparagraphs (iv) and (v)".

2. The following-new provisions are inserted in numerical sequence in general note 3(a) to the Harmonized Tariff Schedule of the United States:

"(v) Products of the West Bank, the Gaza Strip or a qualifying industrial zone.

(A) Subject to the provisions of f this paragraph, articles which are imported directly from the West Bank, the Gaza Strip, a qualifying industrial zone as defined in subdivision (G) of this subparagraph or Israel and are--

(1) wholly the growth, product or manufacture of the West Bank, the Gaza Strip or a qualifying industrial zone; or

(2) new or different articles of commerce that have been grown, produced or manufactured in the West Bank, Gaza Strip or a qualifying industrial zone, and the sum of--

(I) the cost or value of the materials produced in the West Bank, Gaza Strip, a qualifying industrial zone or Israel, plus

(II) the direct costs of processing operations (not including simple combining or packaging operations, and not including mere dilution with water or with another substance that does not materially alter the characteristics of such articles) performed in the West Bank, the Gaza Strip, a qualifying industrial zone or Israel,

Is not less than 35 percent of appraised value of such articles; Shall be eligible for duty-free entry into the customs territory of the United States. For purposes of subdivision (A)(2), materials which are used in the production of articles in the West Bank, the Gaza Strip or a qualifying industrial zone, and which are the product of the United States, may be counted in an amount up to 15 percent of the appraised value of such articles.

(B) Articles are "imported directly" for the purposes of this paragraph if--

(1) they are shipped directly from the West Bank, the Gaza Strip, a qualifying industrial zone or Israel into the United States without passing through the territory of any intermediate country; or

(2) they are shipped through the territory of an intermediate country, and the articles in the shipment do not enter into the commerce of any intermediate country, and the invoices, bills or lading and other shipping documents specify the United States as the final destination; or

(3) they are shipped through an intermediate country and the invoices and other documents do not specify the United States as the final destination; or

(I) remain under the control of the customs authority in an intermediate country;

(II) do not enter into the commerce of an intermediate country except for the purpose of a sale other than at retail, but only if the articles are imported as a result of the original commercial transactions between the importer and the producer or the producer's sales agent; and

(III) have not been subjected to operations other than loading, unloading or other activities necessary to preserve the articles in good condition.

(C) The term "new or different articles of commerce" means that articles must have been substantially transformed in the West Bank, the Gaza Strip or a qualifying industrial zone into articles with a new name, character or use.

(D) (1) For the purposes of subdivision (A)(2)(I), the cost or value or materials produced in the West Bank, the Gaza Strip or a qualifying industrial zone includes--

- (I) the manufacturer's actual cost for the materials;
  - (II) when not included in the manufacturer's actual cost for the materials, the freight, insurance, packing and all other costs incurred in transporting the materials to the manufacturer's plant;
  - (III) the actual cost of waste or spoilage, less the value of recoverable scrap; and
  - (IV) taxes or duties imposed on the materials by the West Bank, the Gaza Strip or a qualifying industrial zone, in such cases as such taxes are not remitted on exportation.
- (2) If a material is provided to the manufacturer without charge, or at less than fair market value, its cost or value shall be determined by computing the sum of--
- (I) all expenses incurred in the growth, production or manufacture of the material, including general expenses;
  - (II) an amount for profit; and
  - (III) freight, insurance, packing and all other costs incurred in transporting the material to the manufacturer's plant.
- (3) If the information necessary to compute the cost or value of a material is not available, the Customs Service may ascertain or estimate the value thereof using all reasonable methods.
- (E) (1) For the purposes of this paragraph, the "direct costs of processing operations performed in the West Bank, the Gaza Strip or a qualifying industrial zone" with respect to an article are those costs either directly incurred in, or which can be reasonably allocated to, the growth, production, manufacture or assembly of that article. Such costs include, but are not limited to, the following to the extent that they are includible in the appraised value of articles imported into the United States:
- (I) All actual labor costs involved in the growth, production, manufacture or assembly of the article, including fringe benefits, on-the-job training and costs of engineering, supervisory, quality control and similar personnel;
  - (II) Dies, molds, tooling and depreciation on machinery and equipment which are allocable to such articles;
  - (III) Research, development, design, engineering and blueprint costs insofar as they are allocable to such articles.
- (2) Those items that are not included as direct costs of processing operations with respect to an article are those which are not directly attributable to the article or are not costs of manufacturing the article. Such items include, but are not limited to--
- (I) profit; and
  - (II) general expenses of doing business which are either not allocable to the article or are not related to the growth, production, manufacture or assembly of the article, such as administrative salaries, casualty and liability insurance, advertising and salesmen's salaries, commissions or expenses.
- (F) Whenever articles are entered with a claim for the duty exemption provided in this paragraph;--
- (1) the importer shall be deemed to certify that such articles meet all of the conditions for duty exemption.
  - (2) when requested by the Customs Service, the importer, a manufacturer or exporter submits a declaration setting forth all pertinent information with respect to such articles, including the following:
    - (I) A description of such articles, quantities, numbers and marks of packages, invoice numbers and bills of lading;
    - (II) A description of the operations performed in the production of such articles in the West Bank, the Gaza Strip or a qualifying industrial zone or Israel and an identification of the direct costs of processing operations;
    - (III) A description of the materials used in the production of such articles which are wholly the growth, product or manufacture of the West Bank, the Gaza Strip or a qualifying industrial zone, Israel or the United States, and a statement as to the cost or value of such materials;
    - (IV) A description of the operations performed on, and a statement as to the origin and cost or value of, any foreign materials used in such articles which are claimed to have been sufficiently processed in the West Bank, the Gaza Strip or a qualifying industrial zone or Israel so as to be materials produced in the West Bank, the Gaza Strip or a qualifying industrial zone or Israel; and

(V) A description of the origin and cost or value of any foreign materials used in the article which have not been substantially transformed in the West Bank, the Gaza Strip or a qualifying industrial zone.

(G) For the purposes of this paragraph, a "qualifying industrial zone" means any area that--

(1) encompasses portions of the territory of Israel and Jordan or Israel and Egypt; and

(2) has been designated by local authorities as an enclave where merchandise may enter without payment of duty or excise taxes; and

(3) has been designated by the United States Trade Representative in a notice published in the Federal Register as a qualifying industrial zone.

3. General note 8 is modified as follows:

(a) by inserting in subdivision (b)(ii) of such note the expression "(or directly from the West Bank, the Gaza Strip or a qualifying industrial zone as defined in general note 3(a)(v)(G) to the tariff schedule)" immediately after "Israel";

(b) by inserting in subdivision (b) (iii) (A) of such note the expression " and including the cost or value of materials produced in the West Bank, the Gaza Strip or a qualifying industrial zone pursuant to general note 3(a)(v) to the tariff schedule,"immediately after "Israel"; and

(c) by inserting in subdivision (b) (iii) (B) of such note the expression "and including the direct costs of processing operations performed in the West Bank, the Gaza Strip or a qualifying industrial zone pursuant to general note 3(a)(v) to the tariff schedule," immediately after "Israel,".

*Source: The Office of Trade Agreements Negotiation and Compliance (TANC). URL:*

*[http://tcc.export.gov/Trade\\_Agreements/All\\_Trade\\_Agreements/exp\\_005416.asp](http://tcc.export.gov/Trade_Agreements/All_Trade_Agreements/exp_005416.asp) [last access: November 17, 2014)*

## ***Annex II: The Sussex Framework***

### **The Sussex Framework<sup>17</sup>**

The Sussex Framework (SF) involves focussing on selected descriptive statistical indicators from which one can draw analytical conclusions well-grounded in economic theory to evaluate the likely effects of a FTA.

#### **Shallow integration**

Preferential trade liberalization involves a process of *shallow integration*, defined as the removal of border barriers to trade, typically tariffs and quotas. The potential net benefits from shallow integration are inherently ambiguous because of the likelihood of both trade creation (which is welfare increasing) and trade diversion (which is welfare reducing). The net welfare impact of a FTA depends on the relative size of these two effects.

There are two possible channels of **trade creation**: First, this can arise when more efficiently produced imported goods replace less efficient domestically produced goods. Thus, trade is “created” and yields welfare gains on the production side. Secondly, a reduction in tariffs that leads to a reduction in prices will increase the demand for goods which were already previously imported from the partner country. This leads to trade creation and welfare gains on the consumption side as consumers have access to cheaper goods than previously.

**Trade diversion** occurs when sources of supply switch away from more efficient non-partner countries to less efficient partner countries. If, prior to the FTA, a country chose to import from a non-FTA supplier, this would have occurred because that supplier was more efficient (cheaper) than the alternatives. If, because of tariff reduction, a country moves the source of supply away from the more efficient (cheaper) supplier and towards the less efficient FTA partner country, then trade diversion is considered to result in a welfare loss. On the other hand, there is a potential welfare gain to the exporting FTA partner country, depending on whether the country was at full employment prior to the FTA. If the partner country was previously at full employment, the FTA results in a reallocation of resources from one sector to another, where demand has increased after the formation of the FTA.

The conclusion is that preferential liberalization in the framework of the FTA will have an impact on trade flows through trade creation and trade diversion, but the net welfare effect from that reallocation of trade flows is inherently ambiguous.

The SF identifies the following rules of thumb, which are used to shed light on the likely *shallow integration impact* of a trade agreement:

1. ***The higher are the initial tariffs/barriers***, the greater are the likely effects on both trade creation and trade diversion. With high initial (MFN) tariffs, the initial distortion is great. This in turn means that in principle there is greater scope for both trade creation and trade diversion as the high tariffs are preferentially removed. Thus if the pre-FTA tariffs were very high, as these are removed it is more likely that the new partner country may be able to supply the good more efficiently than the domestic economy. The higher the pre-FTA tariffs, the more likely it is that this will be the case and consequently, the greater the possibility for such trade to be created. Moreover, the higher the pre-FTA tariffs, the greater the price reduction arising from their removal, which in turn increases the demand for the good and creates more trade. Each of these processes of trade creation are welfare increasing. However, it is also the case that if pre-FTA tariffs were high, then as they are removed there is a greater possibility of the new FTA partner countries supplying the (tariff free) good cheaper than the excluded countries (on whose exports tariffs are levied). Hence, even though these excluded countries may produce the good more efficiently and cheaply, the good will be supplied by the FTA partner who has preferential access to the market. The higher the pre-FTA tariffs, the more likely it is that this form of welfare reducing trade diversion will occur.

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<sup>17</sup> This section draws heavily on CARIS (2007), ‘Qualitative Analysis of a Potential Free Trade Agreement between the European Union and India’, and CARIS (2007), ‘Assessing Preferential Trading Agreements Using the Sussex Framework’.

2. ***The greater the number of FTA partners***, the more likely it is that there will be trade creation as opposed to trade diversion, because of the increased likelihood of including more efficient suppliers. As an illustration, suppose that a given trade agreement were to include the maximum number of possible countries. At the limit this would include all the countries in the world, and hence by definition the most efficient countries will have been included. Therefore, including a greater number of countries in a FTA minimizes the extent of trade diversion, and simultaneously maximizes the likelihood of trade creation.

3. ***Wide differences in comparative advantage*** between partner countries are likely to lead to a welfare improving FTA. Trade creation occurs when there are differences in efficiency and costs across partner countries – hence the FTA enables the partners to source the goods from the most efficient FTA partner. The greater those differences in comparative advantage (and hence in costs across the countries) the greater is the likely gain from trade creation. If Palestine is only marginally more efficient than the USA in producing a given good, then the gain to the USA from importing the good from Palestine as opposed to producing it itself is relatively small. However, if Palestine is significantly more efficient than the potential gains are that much higher. It is worth noting, however, that if the initial tariffs are high then, as detailed in the first rule of thumb, there is also greater likelihood of trade diversion which diminishes the trade creation gains.

4. ***The more similar the product mix*** in the economies concerned and the higher the elasticities of supply, the greater the possibility of trade creation. Recall that trade creation occurs when the importing country produces less of the good itself and instead imports the good from its FTA partner. Suppose that prior to the FTA there was no overlap whatsoever between the two countries' production bundles. If that were the case then the only possibilities for trade creation would arise on the demand side. Conversely, if there is a significant overlap in the goods produced by the partner countries, there is much more scope for switching sources of supply to the more efficient country. Note also that assuming a given degree of overlap in the production structures, the more responsive supply is to the tariff reduction-induced changes in prices, the greater the extent of trade creation.

5. ***The higher the percentage of trade with potential partners***, the greater the possibility of the FTA enhancing welfare. Consider an initial situation where there was very little trade with the potential partner country. This would suggest that in the initial situation, third countries were more efficient suppliers. A FTA is therefore more likely to result in trade diversion under these circumstances. Conversely, if in the initial situation the countries traded significantly with each other, it is more likely that they are each respectively importing from the more efficient supplier, and the chances of trade diversion occurring are lessened.

6. ***Trade diversion is more likely when partners and excluded countries are close competitors***. If it is the case that the partner exports a similar range of products as the excluded countries, then it is clearly more likely that a FTA may result in the partner displacing the exports of one of the excluded countries.

7. ***The greater the possibilities for supply chain integration the greater the likely gains***: Following from RT4, specialization and supply chain integration greatly increases the chances of welfare gains, which are characteristic of deep integration.

8. ***Greater share of trade in GDP suggests that larger gains are likely***: A low trade share in GDP suggests a high degree of protection, which thus points to greater distortions. Thus, a boost in trade to a closed economy will constitute a welfare gain, and the less trade there is, the lesser is the risk of trade diversion.

### **Deep integration**

In addition to shallow integration effects, there are further welfare gains arising from the induced growth effects stimulated by, for example, productivity growth, positive externalities between firms, sectors or across sectors (e.g. between manufacturing and services), technology transfer and diffusion both through trade and FDI, pro-competitive

gains from increasing import competition in an environment of imperfect competition, the increased geographical dispersion of production through trade that supports the exploitation of different factor proportions for different parts of the production process and/or local economies of scale through increased specialization and division of labor in production. These gains are more likely to arise in the presence of deeper integration.

In contrast to shallow integration, deep integration involves policies and institutions that facilitate trade by reducing or eliminating regulatory and behind-the-border impediments to trade, where such impediments may or may not be intentional. These can include issues such as customs procedures, regulation of domestic services production that discriminate against foreigners, product standards that differ from international norms or where testing and certification of foreign goods is complex and perhaps exclusionary, regulation of inward investments, competition policy, intellectual property protection and rules surrounding access to government procurement.

There is a contrast between shallow and deep integration: For shallow there is wealth of data and comprehensive and sophisticated analytical methods for analysis of welfare effects, but usually the estimated welfare benefits are relative small. Deep integration, in contrast, is likely to result in the creation of large welfare gains. However, there is a relatively low availability of data and analytical methods for the analysis of deep integration.

In assessing a FTA it is therefore crucial to first identify the implications arising from the implied shallow integration using the above-mentioned Rules of Thumb and then build upon this to consider the possible role and importance of measures of deeper integration.

**Annex III: The USA's top trade partners 1996-2013**

Partner	Year	Imports Value ('000s USD)	Exports Value ('000s USD)	Imports share	Exports share
World	1996	817,627,136.00	622,784,151.60	100.00%	100.00%
	1997	898,025,455.60	687,532,539.90	100.00%	100.00%
	1998	944,350,101.50	680,434,597.90	100.00%	100.00%
	1999	1,059,220,095.00	692,783,808.50	100.00%	100.00%
	2000	1,258,080,275.00	780,331,840.00	100.00%	100.00%
	2001	1,180,073,832.00	731,005,997.80	100.00%	100.00%
	2002	1,202,284,490.00	693,222,414.20	100.00%	100.00%
	2003	1,305,091,627.00	723,608,647.80	100.00%	100.00%
	2004	1,525,268,509.00	817,905,572.10	100.00%	100.00%
	2005	1,732,320,798.00	904,339,487.20	100.00%	100.00%
	2006	1,918,997,094.00	1,037,029,245.00	100.00%	100.00%
	2007	2,017,120,776.00	1,162,538,150.00	100.00%	100.00%
	2008	2,164,834,031.00	1,299,898,877.00	100.00%	100.00%
	2009	1,601,895,815.00	1,056,712,078.00	100.00%	100.00%
	2010	1,966,496,750.00	1,277,109,162.00	100.00%	100.00%
	2011	2,262,585,634.00	1,479,730,169.00	100.00%	100.00%
	2012	2,333,805,233.00	1,545,565,186.00	100.00%	100.00%
	2013	2,328,328,633.00	1,578,001,362.00	100.00%	100.00%
EU28	1996	150,659,028.10	131,019,608.80	18.43%	21.04%
	1997	166,777,957.00	145,057,351.70	18.57%	21.10%
	1998	187,109,660.90	153,296,424.70	19.81%	22.53%
	1999	206,909,393.90	155,348,086.30	19.53%	22.42%
	2000	234,827,832.10	168,531,417.80	18.67%	21.60%
	2001	233,945,517.00	163,160,277.20	19.82%	22.32%
	2002	240,194,349.30	147,432,688.40	19.98%	21.27%
	2003	261,520,081.40	155,069,597.90	20.04%	21.43%
	2004	292,628,737.90	173,665,537.90	19.19%	21.23%
	2005	320,008,473.10	187,517,002.30	18.47%	20.74%
	2006	341,762,458.20	215,103,995.50	17.81%	20.74%
	2007	364,361,299.90	247,947,953.00	18.06%	21.33%
	2008	376,944,603.00	275,658,371.40	17.41%	21.21%
	2009	286,987,901.10	221,343,691.60	17.92%	20.95%
	2010	326,666,622.10	240,545,282.00	16.61%	18.84%
	2011	375,970,324.00	269,647,836.00	16.62%	18.22%
	2012	389,524,718.20	266,054,738.80	16.69%	17.21%
	2013	396,333,699.40	263,816,896.00	17.02%	16.72%
Canada	1996	159,691,178.00	132,579,557.40	19.53%	21.29%
	1997	171,330,617.30	150,120,415.20	19.08%	21.83%
	1998	177,916,428.30	154,148,094.00	18.84%	22.65%
	1999	201,433,186.30	163,903,553.50	19.02%	23.66%
	2000	232,677,615.50	176,408,790.20	18.49%	22.61%
	2001	220,104,006.90	163,721,459.30	18.65%	22.40%
	2002	213,905,062.20	160,794,797.50	17.79%	23.20%
	2003	227,600,078.60	169,451,591.30	17.44%	23.42%
	2004	259,731,653.70	189,100,176.10	17.03%	23.12%
	2005	291,865,611.00	211,417,118.10	16.85%	23.38%
	2006	307,723,064.20	230,244,126.80	16.04%	22.20%
	2007	317,481,896.70	248,408,653.50	15.74%	21.37%
	2008	339,074,076.20	260,890,167.20	15.66%	20.07%
	2009	227,577,354.20	204,720,827.30	14.21%	19.37%

	2010	279,275,260.70	248,186,864.30	14.20%	19.43%
	2011	319,100,976.20	280,710,218.00	14.10%	18.97%
	2012	327,482,230.00	291,674,879.70	14.03%	18.87%
	2013	336,685,686.30	300,175,625.10	14.46%	19.02%
Mexico	1996	74,108,149.76	56,758,562.82	9.06%	9.11%
	1997	87,119,790.08	71,354,753.02	9.70%	10.38%
	1998	96,074,620.93	78,996,881.41	10.17%	11.61%
	1999	111,067,217.90	87,041,712.13	10.49%	12.56%
	2000	137,448,181.40	111,710,471.40	10.93%	14.32%
	2001	132,774,583.10	101,507,711.50	11.25%	13.89%
	2002	136,142,467.30	97,530,536.24	11.32%	14.07%
	2003	139,700,387.60	97,452,390.89	10.70%	13.47%
	2004	157,820,595.40	110,775,247.20	10.35%	13.54%
	2005	172,480,545.80	120,048,216.00	9.96%	13.27%
	2006	200,499,681.90	134,127,534.80	10.45%	12.93%
	2007	212,878,005.20	136,520,317.30	10.55%	11.74%
	2008	218,066,232.80	151,524,799.10	10.07%	11.66%
	2009	178,321,648.40	128,997,663.30	11.13%	12.21%
	2010	231,919,738.50	163,320,690.00	11.79%	12.79%
	2011	265,347,176.30	197,543,626.80	11.73%	13.35%
	2012	280,017,205.60	216,330,836.60	12.00%	14.00%
	2013	283,043,473.00	226,152,895.80	12.16%	14.33%
China	1996	54,396,456.96	11,977,746.43	6.65%	1.92%
	1997	65,811,603.46	12,804,865.02	7.33%	1.86%
	1998	75,094,917.12	14,257,941.50	7.95%	2.10%
	1999	87,775,117.31	13,117,665.28	8.29%	1.89%
	2000	107,614,612.70	16,252,432.73	8.55%	2.08%
	2001	109,380,467.10	19,234,430.07	9.27%	2.63%
	2002	133,484,120.90	22,052,397.60	11.10%	3.18%
	2003	163,250,112.00	28,416,649.18	12.51%	3.93%
	2004	210,517,154.60	34,720,921.96	13.80%	4.25%
	2005	259,829,233.60	41,835,198.83	15.00%	4.63%
	2006	305,778,876.10	55,224,097.11	15.93%	5.33%
	2007	340,106,645.80	65,237,883.48	16.86%	5.61%
	2008	356,304,560.70	71,456,411.76	16.46%	5.50%
	2009	309,530,233.20	69,575,613.27	19.32%	6.58%
	2010	382,953,848.90	91,878,160.15	19.47%	7.19%
	2011	417,302,859.00	103,878,414.10	18.44%	7.02%
	2012	444,407,150.10	110,590,058.40	19.04%	7.16%
	2013	460,007,637.80	122,016,244.70	19.76%	7.73%
Japan	1996	117,962,858.50	67,514,642.43	14.43%	10.84%
	1997	124,265,668.60	65,657,896.96	13.84%	9.55%
	1998	125,089,620.00	57,884,418.05	13.25%	8.51%
	1999	134,871,220.20	57,480,835.07	12.73%	8.30%
	2000	150,631,807.90	65,251,590.75	11.97%	8.36%
	2001	129,708,153.60	57,637,105.00	10.99%	7.88%
	2002	124,633,010.70	51,438,261.67	10.37%	7.42%
	2003	121,232,305.90	52,061,621.23	9.29%	7.19%
	2004	133,339,173.80	54,400,039.71	8.74%	6.65%
	2005	141,950,220.20	55,408,356.27	8.19%	6.13%
	2006	152,244,039.80	59,647,551.30	7.93%	5.75%
	2007	149,423,010.10	62,663,665.28	7.41%	5.39%
	2008	143,351,759.20	66,573,421.90	6.62%	5.12%
	2009	98,401,031.29	51,178,320.34	6.14%	4.84%
	2010	123,555,965.20	60,542,675.20	6.28%	4.74%

	2011	132,442,051.40	66,160,368.82	5.85%	4.47%
	2012	150,401,123.30	70,042,647.65	6.44%	4.53%
	2013	142,148,496.70	65,142,508.22	6.11%	4.13%
Germany	1996	39,989,231.62	23,468,775.42	4.89%	3.77%
	1997	44,191,158.27	24,459,616.26	4.92%	3.56%
	1998	51,281,903.62	26,633,981.95	5.43%	3.91%
	1999	56,605,937.66	26,786,594.82	5.34%	3.87%
	2000	60,161,027.69	29,241,509.72	4.78%	3.75%
	2001	60,490,608.05	30,113,157.12	5.13%	4.12%
	2002	63,879,819.77	26,627,665.55	5.31%	3.84%
	2003	69,613,217.39	28,845,854.30	5.33%	3.99%
	2004	79,110,073.68	31,376,589.92	5.19%	3.84%
	2005	86,933,951.84	34,141,153.58	5.02%	3.78%
	2006	91,215,229.47	41,313,146.99	4.75%	3.98%
	2007	96,631,595.72	49,611,212.29	4.79%	4.27%
	2008	99,758,479.28	54,672,136.76	4.61%	4.21%
	2009	72,632,756.09	43,220,924.95	4.53%	4.09%
	2010	84,362,253.13	48,040,814.90	4.29%	3.76%
	2011	100,392,797.60	48,779,199.87	4.44%	3.30%
	2012	110,602,811.90	48,354,852.05	4.74%	3.13%
	2013	116,913,837.90	46,944,882.32	5.02%	2.97%
MERCOSUR	1996	25,736,416.89	23,337,181.31	3.15%	3.75%
	1997	27,203,414.29	29,788,245.57	3.03%	4.33%
	1998	23,457,782.99	28,939,207.55	2.48%	4.25%
	1999	26,892,669.74	24,567,434.94	2.54%	3.55%
	2000	37,898,994.43	26,594,090.34	3.01%	3.41%
	2001	34,932,462.21	26,351,544.47	2.96%	3.60%
	2002	36,233,378.13	19,089,151.50	3.01%	2.75%
	2003	40,802,549.85	17,307,856.41	3.13%	2.39%
	2004	53,807,733.89	22,976,738.60	3.53%	2.81%
	2005	67,303,338.12	27,102,867.62	3.89%	3.00%
	2006	71,309,910.86	34,400,998.64	3.72%	3.32%
	2007	73,627,559.92	42,555,429.68	3.65%	3.66%
	2008	91,212,474.31	55,552,750.55	4.21%	4.27%
	2009	54,249,859.50	43,191,813.88	3.39%	4.09%
	2010	62,676,417.62	56,207,165.92	3.19%	4.40%
	2011	81,488,974.62	68,399,186.03	3.60%	4.62%
	2012	77,725,541.04	74,763,101.72	3.33%	4.84%
	2013	66,701,130.91	71,214,108.97	2.86%	4.51%
GAFTA	1996	15,950,577.26	18,366,744.52	1.95%	2.95%
	1997	17,847,993.02	20,149,148.14	1.99%	2.93%
	1998	14,467,260.04	21,097,083.54	1.53%	3.10%
	1999	19,830,349.25	17,512,193.70	1.87%	2.53%
	2000	31,848,941.61	16,283,003.45	2.53%	2.09%
	2001	30,874,938.05	17,209,987.64	2.62%	2.35%
	2002	27,546,631.60	16,505,497.12	2.29%	2.38%
	2003	37,673,446.19	16,158,145.05	2.89%	2.23%
	2004	49,780,422.76	19,125,950.60	3.26%	2.34%
	2005	63,807,974.85	27,270,026.90	3.68%	3.02%
	2006	77,515,288.88	34,977,451.86	4.04%	3.37%
	2007	84,619,445.06	42,439,526.16	4.20%	3.65%
	2008	120,974,998.20	51,621,454.66	5.59%	3.97%
	2009	58,030,697.80	43,573,507.39	3.62%	4.12%
	2010	76,199,543.50	48,308,972.72	3.87%	3.78%
	2011	102,134,039.50	55,719,231.40	4.51%	3.77%

	2012	114,855,123.70	65,484,233.16	4.92%	4.24%
	2013	97,641,093.05	70,413,452.17	4.19%	4.46%
United Kingdom	1996	29,669,191.68	30,914,902.02	3.63%	4.96%
	1997	33,475,502.08	36,433,768.45	3.73%	5.30%
	1998	35,678,547.97	39,068,590.08	3.78%	5.74%
	1999	40,138,211.33	38,337,458.18	3.79%	5.53%
	2000	44,530,456.46	41,578,521.23	3.54%	5.33%
	2001	42,347,144.73	40,796,266.33	3.59%	5.58%
	2002	41,811,573.39	33,252,403.43	3.48%	4.80%
	2003	43,741,557.22	33,893,823.13	3.35%	4.68%
	2004	47,662,416.67	35,958,442.30	3.12%	4.40%
	2005	52,368,742.55	38,621,401.64	3.02%	4.27%
	2006	54,612,972.22	45,391,798.52	2.85%	4.38%
	2007	58,070,295.57	50,294,385.19	2.88%	4.33%
	2008	59,740,052.57	53,771,991.75	2.76%	4.14%
	2009	48,249,946.91	45,707,871.12	3.01%	4.33%
	2010	50,622,714.83	48,414,447.36	2.57%	3.79%
	2011	52,057,542.96	55,939,446.33	2.30%	3.78%
	2012	55,933,420.87	54,810,181.02	2.40%	3.55%
	2013	53,588,787.18	47,346,331.35	2.30%	3.00%
Rep. of Korea	1996	23,297,376.26	26,582,874.11	2.85%	4.27%
	1997	23,797,587.97	25,066,618.88	2.65%	3.65%
	1998	24,804,796.42	16,538,268.67	2.63%	2.43%
	1999	32,474,501.12	22,949,359.62	3.07%	3.31%
	2000	41,724,201.93	27,901,876.44	3.32%	3.58%
	2001	36,491,187.14	22,196,591.88	3.09%	3.04%
	2002	36,909,786.32	22,595,826.34	3.07%	3.26%
	2003	38,344,929.64	24,097,310.92	2.94%	3.33%
	2004	47,814,032.48	26,333,437.66	3.13%	3.22%
	2005	45,522,751.41	27,670,367.80	2.63%	3.06%
	2006	47,636,132.26	32,455,280.55	2.48%	3.13%
	2007	49,319,146.30	34,702,617.75	2.45%	2.99%
	2008	49,823,393.85	34,806,587.29	2.30%	2.68%
	2009	40,543,872.27	28,639,747.63	2.53%	2.71%
	2010	50,592,030.79	38,843,767.54	2.57%	3.04%
	2011	58,580,161.92	43,504,762.49	2.59%	2.94%
	2012	60,978,951.87	42,317,910.33	2.61%	2.74%
	2013	64,989,600.91	41,554,498.11	2.79%	2.63%
Other Asia, nes	1996	31,022,374.91	18,412,697.60	3.79%	2.96%
	1997	33,718,294.53	20,387,729.41	3.75%	2.97%
	1998	34,343,280.64	18,157,129.73	3.64%	2.67%
	1999	36,761,780.22	19,121,123.33	3.47%	2.76%
	2000	42,260,562.48	24,380,278.39	3.36%	3.12%
	2001	34,778,961.67	18,151,570.03	2.95%	2.48%
	2002	33,519,324.84	18,394,266.11	2.79%	2.65%
	2003	33,017,730.43	17,487,550.24	2.53%	2.42%
	2004	36,210,766.90	21,730,876.30	2.37%	2.66%
	2005	36,386,774.50	22,049,540.11	2.10%	2.44%
	2006	39,796,915.18	23,023,313.00	2.07%	2.22%
	2007	39,852,584.27	26,358,498.24	1.98%	2.27%
	2008	37,747,532.55	25,279,403.18	1.74%	1.94%
	2009	29,349,133.09	18,432,345.89	1.83%	1.74%
	2010	37,219,628.33	26,027,279.91	1.89%	2.04%
	2011	42,651,410.02	25,895,727.21	1.89%	1.75%
	2012	40,215,089.31	24,368,933.25	1.72%	1.58%

	2013	39,396,348.90	25,638,641.99	1.69%	1.62%
France	1996	19,202,768.90	14,836,398.08	2.35%	2.38%
	1997	21,345,394.69	16,581,652.48	2.38%	2.41%
	1998	24,736,794.62	18,071,189.50	2.62%	2.66%
	1999	26,548,740.10	19,146,608.64	2.51%	2.76%
	2000	30,482,411.54	20,410,563.99	2.42%	2.62%
	2001	30,980,359.91	20,124,697.31	2.63%	2.75%
	2002	29,024,413.00	19,347,061.28	2.41%	2.79%
	2003	29,897,478.85	17,340,101.53	2.29%	2.40%
	2004	32,617,719.77	21,555,881.90	2.14%	2.64%
	2005	34,771,520.77	22,538,003.97	2.01%	2.49%
	2006	38,082,574.46	24,385,839.26	1.98%	2.35%
	2007	42,492,266.04	27,819,120.33	2.11%	2.39%
	2008	44,886,713.69	29,948,924.89	2.07%	2.30%
	2009	34,582,355.37	27,043,697.29	2.16%	2.56%
	2010	39,178,550.31	27,771,042.70	1.99%	2.17%
	2011	40,738,444.86	28,845,745.72	1.80%	1.95%
	2012	42,488,402.09	31,953,995.46	1.82%	2.07%
	2013	46,339,863.58	34,090,599.16	1.99%	2.16%
Brazil	1996	9,296,194.56	12,699,211.78	1.14%	2.04%
	1997	10,149,453.82	15,912,279.04	1.13%	2.31%
	1998	10,642,211.84	15,156,974.59	1.13%	2.23%
	1999	11,896,363.01	13,249,028.10	1.12%	1.91%
	2000	14,610,874.61	15,359,611.75	1.16%	1.97%
	2001	15,258,651.97	15,928,544.94	1.29%	2.18%
	2002	16,721,872.91	12,408,778.64	1.39%	1.79%
	2003	18,962,966.56	11,217,893.62	1.45%	1.55%
	2004	22,733,624.27	13,862,967.18	1.49%	1.69%
	2005	26,220,593.19	15,345,348.86	1.51%	1.70%
	2006	28,031,247.07	19,227,471.94	1.46%	1.85%
	2007	27,193,409.75	24,628,260.84	1.35%	2.12%
	2008	32,072,884.60	32,909,857.69	1.48%	2.53%
	2009	21,017,804.64	26,175,324.39	1.31%	2.48%
	2010	24,968,635.31	35,357,186.96	1.27%	2.77%
	2011	32,472,192.63	42,943,393.78	1.44%	2.90%
	2012	33,227,220.40	43,717,139.68	1.42%	2.83%
	2013	28,612,649.77	44,115,969.37	1.23%	2.80%
Netherlands	1996	7,011,811.33	16,614,038.53	0.86%	2.67%
	1997	7,683,047.42	19,821,195.26	0.86%	2.88%
	1998	8,008,621.57	19,003,637.76	0.85%	2.79%
	1999	8,876,730.37	19,411,474.43	0.84%	2.80%
	2000	10,163,323.11	21,972,915.50	0.81%	2.82%
	2001	9,953,602.49	19,524,471.29	0.84%	2.67%
	2002	10,306,801.62	18,334,260.03	0.86%	2.64%
	2003	11,435,305.07	20,694,815.84	0.88%	2.86%
	2004	13,173,711.45	24,286,103.66	0.86%	2.97%
	2005	15,502,607.34	26,495,636.80	0.89%	2.93%
	2006	18,068,285.31	31,101,731.02	0.94%	3.00%
	2007	19,133,966.20	32,985,939.05	0.95%	2.84%
	2008	21,813,287.95	40,220,700.87	1.01%	3.09%
	2009	16,573,999.20	32,346,735.11	1.03%	3.06%
	2010	19,569,509.22	34,996,604.68	1.00%	2.74%
	2011	24,086,692.91	42,825,729.93	1.06%	2.89%
	2012	22,935,726.38	40,678,852.67	0.98%	2.63%
	2013	19,936,266.08	42,652,488.91	0.86%	2.70%

Italy	1996	19,000,967.17	8,791,157.76	2.32%	1.41%
	1997	20,182,278.14	8,982,002.69	2.25%	1.31%
	1998	21,913,511.94	9,036,584.96	2.32%	1.33%
	1999	23,344,674.82	10,103,929.86	2.20%	1.46%
	2000	26,198,701.31	10,999,545.17	2.08%	1.41%
	2001	24,950,543.68	9,915,752.39	2.11%	1.36%
	2002	25,414,530.29	10,088,885.73	2.11%	1.46%
	2003	26,653,614.00	10,569,652.31	2.04%	1.46%
	2004	29,405,696.96	10,710,769.42	1.93%	1.31%
	2005	32,416,699.29	11,512,228.46	1.87%	1.27%
	2006	34,100,163.15	12,566,238.14	1.78%	1.21%
	2007	36,466,828.76	14,141,169.01	1.81%	1.22%
	2008	37,492,843.24	15,478,024.29	1.73%	1.19%
	2009	27,275,830.87	12,232,372.42	1.70%	1.16%
	2010	29,420,410.26	14,191,221.50	1.50%	1.11%
	2011	35,082,623.77	15,991,284.60	1.55%	1.08%
	2012	38,143,987.73	15,971,597.01	1.63%	1.03%
	2013	40,023,548.67	16,511,652.90	1.72%	1.05%
Singapore	1996	20,648,251.39	16,685,331.46	2.53%	2.68%
	1997	20,368,087.04	17,727,426.56	2.27%	2.58%
	1998	18,653,945.86	15,673,477.12	1.98%	2.30%
	1999	18,543,298.56	16,245,959.68	1.75%	2.35%
	2000	19,557,411.24	17,816,250.74	1.55%	2.28%
	2001	15,261,401.82	17,691,298.31	1.29%	2.42%
	2002	15,093,223.65	16,221,026.80	1.26%	2.34%
	2003	15,489,461.63	16,574,864.76	1.19%	2.29%
	2004	15,594,001.56	19,600,799.65	1.02%	2.40%
	2005	15,387,765.20	20,646,357.01	0.89%	2.28%
	2006	18,068,465.96	24,682,843.11	0.94%	2.38%
	2007	18,692,293.12	26,284,361.56	0.93%	2.26%
	2008	16,161,164.31	28,809,348.20	0.75%	2.22%
	2009	15,856,691.05	22,278,008.52	0.99%	2.11%
	2010	17,746,677.20	29,149,702.67	0.90%	2.28%
	2011	19,362,749.81	31,373,730.10	0.86%	2.12%
	2012	20,454,958.11	30,536,552.78	0.88%	1.98%
	2013	18,097,667.76	30,678,765.57	0.78%	1.94%
EFTA	1996	12,334,142.40	10,193,095.31	1.51%	1.64%
	1997	12,815,029.26	10,214,716.91	1.43%	1.49%
	1998	12,449,540.96	9,200,773.25	1.32%	1.35%
	1999	14,617,535.74	10,106,021.47	1.38%	1.46%
	2000	16,914,845.71	11,752,076.49	1.34%	1.51%
	2001	15,683,858.78	11,906,266.84	1.33%	1.63%
	2002	16,159,110.87	9,416,209.89	1.34%	1.36%
	2003	16,838,889.24	10,387,342.94	1.29%	1.44%
	2004	19,231,361.83	11,174,724.23	1.26%	1.37%
	2005	20,848,835.91	13,194,704.30	1.20%	1.46%
	2006	22,389,120.16	17,151,241.67	1.17%	1.65%
	2007	23,063,142.74	20,713,809.46	1.14%	1.78%
	2008	26,103,917.11	25,870,892.45	1.21%	1.99%
	2009	22,362,022.68	20,581,282.05	1.40%	1.95%
	2010	26,902,695.96	24,130,028.28	1.37%	1.89%
	2011	33,657,760.70	28,706,215.12	1.49%	1.94%
	2012	33,288,291.77	29,999,943.13	1.43%	1.94%
	2013	34,833,395.44	31,918,168.66	1.50%	2.02%
Malaysia	1996	18,330,707.97	8,521,248.26	2.24%	1.37%

	1997	18,522,832.90	10,827,752.45	2.06%	1.57%
	1998	19,518,773.25	8,952,867.84	2.07%	1.32%
	1999	22,089,715.71	9,079,043.07	2.09%	1.31%
	2000	26,393,767.98	10,995,680.37	2.10%	1.41%
	2001	23,071,705.89	9,380,157.45	1.96%	1.28%
	2002	24,733,645.84	10,348,147.66	2.06%	1.49%
	2003	26,188,037.70	10,920,356.44	2.01%	1.51%
	2004	29,050,830.05	10,896,751.89	1.90%	1.33%
	2005	34,675,835.23	10,450,923.34	2.00%	1.16%
	2006	37,521,096.73	12,550,114.96	1.96%	1.21%
	2007	33,701,169.23	11,679,802.38	1.67%	1.00%
	2008	31,571,136.54	12,962,946.26	1.46%	1.00%
	2009	23,888,396.48	10,401,451.21	1.49%	0.98%
	2010	26,628,314.09	13,981,576.37	1.35%	1.09%
	2011	26,485,215.28	14,217,348.20	1.17%	0.96%
	2012	26,651,965.10	12,851,387.12	1.14%	0.83%
	2013	28,025,472.01	13,002,930.09	1.20%	0.82%
Saudi Arabia	1996	9,442,676.74	7,295,228.93	1.15%	1.17%
	1997	10,135,068.67	8,450,813.44	1.13%	1.23%
	1998	7,168,647.68	10,524,896.26	0.76%	1.55%
	1999	8,903,012.35	7,901,716.99	0.84%	1.14%
	2000	15,077,551.85	6,230,289.32	1.20%	0.80%
	2001	14,414,437.75	5,970,503.83	1.22%	0.82%
	2002	13,891,459.82	4,778,472.33	1.16%	0.69%
	2003	19,524,967.53	4,595,872.73	1.50%	0.64%
	2004	22,502,212.79	5,245,183.61	1.48%	0.64%
	2005	28,965,899.12	6,829,677.95	1.67%	0.76%
	2006	33,086,758.51	7,808,243.11	1.72%	0.75%
	2007	37,164,681.64	10,399,222.19	1.84%	0.89%
	2008	57,005,380.62	12,477,994.63	2.63%	0.96%
	2009	23,243,140.46	10,803,683.54	1.45%	1.02%
	2010	32,650,735.39	11,590,302.23	1.66%	0.91%
	2011	48,760,004.81	13,819,521.04	2.16%	0.93%
	2012	57,327,164.44	18,118,113.94	2.46%	1.17%
	2013	53,098,031.51	18,988,190.75	2.28%	1.20%
Venezuela	1996	13,718,865.92	4,740,820.48	1.68%	0.76%
	1997	14,389,399.55	6,607,448.58	1.60%	0.96%
	1998	10,072,806.40	6,519,750.66	1.07%	0.96%
	1999	11,950,013.44	5,372,925.95	1.13%	0.78%
	2000	19,601,550.61	5,552,061.66	1.56%	0.71%
	2001	16,140,578.79	5,684,156.43	1.37%	0.78%
	2002	15,828,358.75	4,446,855.70	1.32%	0.64%
	2003	18,074,307.39	2,839,429.35	1.38%	0.39%
	2004	26,316,278.63	4,781,838.34	1.73%	0.58%
	2005	35,292,119.89	6,408,304.37	2.04%	0.71%
	2006	38,386,162.10	9,011,587.64	2.00%	0.87%
	2007	41,010,703.54	10,199,323.85	2.03%	0.88%
	2008	52,610,099.83	12,611,139.02	2.43%	0.97%
	2009	28,780,266.84	9,359,766.68	1.80%	0.89%
	2010	33,381,468.93	10,660,894.84	1.70%	0.83%
	2011	43,862,856.44	12,350,600.93	1.94%	0.83%
	2012	39,343,319.19	17,631,222.07	1.69%	1.14%
	2013	32,477,623.09	13,220,139.13	1.39%	0.84%
India	1996	6,528,517.63	3,318,091.01	0.80%	0.53%
	1997	7,711,805.44	3,615,603.20	0.86%	0.53%

	1998	8,658,535.42	3,544,678.91	0.92%	0.52%
	1999	9,589,901.31	3,707,363.58	0.91%	0.54%
	2000	11,311,376.73	3,662,790.08	0.90%	0.47%
	2001	10,290,361.12	3,764,198.62	0.87%	0.51%
	2002	12,449,499.19	4,097,911.80	1.04%	0.59%
	2003	13,752,095.51	4,985,759.13	1.05%	0.69%
	2004	16,436,821.61	6,095,000.81	1.08%	0.75%
	2005	19,874,950.93	7,958,004.53	1.15%	0.88%
	2006	22,992,712.58	10,091,103.61	1.20%	0.97%
	2007	25,113,348.87	17,592,454.56	1.25%	1.51%
	2008	26,931,322.41	18,666,534.23	1.24%	1.44%
	2009	22,042,749.85	16,462,437.10	1.38%	1.56%
	2010	30,706,659.30	19,222,742.84	1.56%	1.51%
	2011	37,468,095.15	21,627,593.87	1.66%	1.46%
	2012	41,910,216.94	22,335,595.17	1.80%	1.45%
Ireland	2013	43,342,290.06	21,875,292.61	1.86%	1.39%
	1996	4,870,383.62	3,659,500.03	0.60%	0.59%
	1997	5,958,776.32	4,641,025.02	0.66%	0.68%
	1998	8,479,083.52	5,652,953.09	0.90%	0.83%
	1999	11,092,009.98	6,374,728.19	1.05%	0.92%
	2000	16,516,689.63	7,726,537.93	1.31%	0.99%
	2001	18,626,190.03	7,149,556.97	1.58%	0.98%
	2002	22,484,848.65	6,748,664.46	1.87%	0.97%
	2003	25,959,130.61	7,689,671.74	1.99%	1.06%
	2004	27,568,789.17	8,165,780.64	1.81%	1.00%
	2005	28,769,939.59	9,335,280.16	1.66%	1.03%
	2006	28,777,532.24	8,515,296.16	1.50%	0.82%
	2007	30,491,013.65	9,010,736.05	1.51%	0.78%
	2008	31,709,337.80	8,652,873.13	1.46%	0.67%
	2009	28,187,870.79	7,516,394.44	1.76%	0.71%
Belgium	2010	34,024,540.82	7,270,755.94	1.73%	0.57%
	2011	39,356,068.31	7,605,823.25	1.74%	0.51%
	2012	33,436,433.88	7,389,285.50	1.43%	0.48%
	2013	31,712,735.09	6,622,201.00	1.36%	0.42%
	1999	9,423,239.17	12,382,952.45	0.89%	1.79%
	2000	10,177,795.59	13,958,795.12	0.81%	1.79%
	2001	10,383,121.56	13,522,654.20	0.88%	1.85%
	2002	10,066,216.26	13,342,302.44	0.84%	1.92%
	2003	10,400,921.18	15,216,542.09	0.80%	2.10%
	2004	12,811,784.79	16,875,197.61	0.84%	2.06%
	2005	13,398,452.10	18,602,002.29	0.77%	2.06%
	2006	14,788,625.00	21,345,547.10	0.77%	2.06%
	2007	15,676,011.41	25,291,387.10	0.78%	2.18%
	2008	17,758,479.94	29,026,394.29	0.82%	2.23%
	2009	13,997,086.58	21,629,705.39	0.87%	2.05%
Switzerland	2010	15,880,239.84	25,551,083.18	0.81%	2.00%
	2011	17,802,679.27	29,876,946.10	0.79%	2.02%
	2012	17,699,898.75	29,394,012.77	0.76%	1.90%
	2013	19,425,195.47	31,720,276.11	0.83%	2.01%
	1996	8,023,413.76	8,377,074.18	0.98%	1.35%
	1997	8,644,885.50	8,313,946.11	0.96%	1.21%
	1998	9,127,678.98	7,253,827.07	0.97%	1.07%
	1999	10,056,481.79	8,368,144.90	0.95%	1.21%
	2000	10,680,170.43	9,952,092.44	0.85%	1.28%
	2001	9,965,927.89	9,841,439.20	0.84%	1.35%

	2002	9,774,446.41	7,789,828.49	0.81%	1.12%
	2003	11,071,898.16	8,674,779.04	0.85%	1.20%
	2004	12,084,298.14	9,261,847.69	0.79%	1.13%
	2005	13,455,172.66	10,750,206.77	0.78%	1.19%
	2006	14,746,691.13	14,384,542.09	0.77%	1.39%
	2007	15,256,360.20	17,030,908.83	0.76%	1.46%
	2008	18,247,547.90	21,999,063.57	0.84%	1.69%
	2009	16,282,605.58	17,478,819.25	1.02%	1.65%
	2010	19,497,268.38	20,697,972.77	0.99%	1.62%
	2011	24,867,872.62	24,446,491.44	1.10%	1.65%
	2012	26,233,957.16	26,121,012.19	1.12%	1.69%
	2013	28,812,657.49	26,913,862.92	1.24%	1.71%
China, Hong Kong SAR	1996	10,261,976.06	13,954,958.34	1.26%	2.24%
	1997	10,675,149.82	15,111,068.67	1.19%	2.20%
	1998	10,934,988.80	12,922,518.53	1.16%	1.90%
	1999	10,998,875.14	12,646,298.62	1.04%	1.83%
	2000	11,973,556.48	14,623,671.48	0.95%	1.87%
	2001	10,074,058.52	14,069,249.63	0.85%	1.92%
	2002	9,772,297.19	12,608,963.46	0.81%	1.82%
	2003	9,284,384.72	13,539,652.63	0.71%	1.87%
	2004	9,781,562.41	15,808,406.89	0.64%	1.93%
	2005	9,298,214.17	16,321,856.35	0.54%	1.80%
	2006	8,281,929.47	17,774,301.28	0.43%	1.71%
	2007	7,320,064.06	20,118,418.58	0.36%	1.73%
	2008	6,706,328.75	21,631,616.62	0.31%	1.66%
	2009	3,682,878.12	21,117,126.29	0.23%	2.00%
	2010	4,439,366.21	26,565,428.68	0.23%	2.08%
	2011	4,412,291.11	36,489,190.55	0.20%	2.47%
Thailand	2012	5,554,891.94	37,445,659.90	0.24%	2.42%
	2013	5,752,023.52	42,431,219.31	0.25%	2.69%
	1996	11,798,392.83	7,211,284.99	1.44%	1.16%
	1997	13,055,708.16	7,357,190.14	1.45%	1.07%
	1998	13,970,534.40	5,233,359.36	1.48%	0.77%
	1999	15,155,534.85	4,983,523.84	1.43%	0.72%
	2000	17,374,564.36	6,642,509.46	1.38%	0.85%
	2001	15,565,997.01	5,995,120.35	1.32%	0.82%
	2002	15,682,846.73	4,859,499.60	1.30%	0.70%
	2003	16,105,656.27	5,841,350.31	1.23%	0.81%
	2004	18,645,612.94	6,362,813.78	1.22%	0.78%
	2005	21,034,778.31	7,233,101.50	1.21%	0.80%
	2006	23,684,861.32	8,152,469.45	1.23%	0.79%
	2007	23,792,955.29	8,444,875.61	1.18%	0.73%
	2008	24,608,981.76	9,066,833.77	1.14%	0.70%
	2009	19,863,863.81	6,920,200.25	1.24%	0.65%
Israel	2010	23,616,899.38	8,974,364.52	1.20%	0.70%
	2011	25,746,016.73	10,927,479.51	1.14%	0.74%
	2012	27,051,552.89	10,952,735.89	1.16%	0.71%
	2013	27,091,607.95	11,824,525.90	1.16%	0.75%
	1996	6,545,801.22	6,009,014.27	0.80%	0.96%
	1997	7,459,251.20	5,993,807.36	0.83%	0.87%
	1998	8,785,376.26	6,981,809.66	0.93%	1.03%
	1999	10,033,235.97	7,694,306.82	0.95%	1.11%
	2000	13,212,299.42	7,750,345.00	1.05%	0.99%
	2001	12,158,052.86	7,482,320.62	1.03%	1.02%
	2002	12,643,712.78	7,039,313.78	1.05%	1.02%

	2003	13,008,684.38	6,878,299.75	1.00%	0.95%
	2004	14,789,732.50	9,197,954.23	0.97%	1.12%
	2005	17,128,868.54	9,731,835.60	0.99%	1.08%
	2006	19,399,135.71	10,964,389.68	1.01%	1.06%
	2007	21,077,524.11	13,018,845.81	1.04%	1.12%
	2008	22,626,636.13	14,486,465.80	1.05%	1.11%
	2009	18,961,438.20	9,567,806.71	1.18%	0.91%
	2010	21,221,352.44	11,271,532.45	1.08%	0.88%
	2011	23,250,468.97	13,955,868.60	1.03%	0.94%
	2012	22,343,664.25	14,270,093.23	0.96%	0.92%
	2013	22,967,313.09	13,737,949.57	0.99%	0.87%
Australia	1996	4,117,718.02	11,991,572.48	0.50%	1.93%
	1997	4,895,538.69	12,040,757.25	0.55%	1.75%
	1998	5,697,004.03	11,928,925.18	0.60%	1.75%
	1999	5,584,667.65	11,810,612.22	0.53%	1.70%
	2000	6,789,468.53	12,459,223.88	0.54%	1.60%
	2001	6,803,350.37	10,944,751.38	0.58%	1.50%
	2002	6,816,035.17	13,083,448.34	0.57%	1.89%
	2003	6,730,473.46	13,091,906.37	0.52%	1.81%
	2004	7,898,785.83	14,270,845.60	0.52%	1.74%
	2005	7,657,392.97	15,770,889.17	0.44%	1.74%
	2006	8,541,085.34	17,781,610.04	0.45%	1.71%
	2007	8,956,453.03	19,205,100.72	0.44%	1.65%
	2008	10,925,971.42	22,428,309.67	0.50%	1.73%
	2009	8,220,815.31	19,596,998.32	0.51%	1.85%
	2010	8,793,150.71	21,803,117.54	0.45%	1.71%
	2011	10,361,494.74	27,512,234.59	0.46%	1.86%
	2012	9,642,318.19	31,191,609.00	0.41%	2.02%
	2013	9,208,180.24	26,035,278.59	0.40%	1.65%
Russian Federation	1996	3,744,550.40	3,340,128.77	0.46%	0.54%
	1997	4,523,088.38	3,288,739.58	0.50%	0.48%
	1998	6,008,276.48	3,584,615.94	0.64%	0.53%
	1999	6,016,724.99	1,844,678.40	0.57%	0.27%
	2000	8,038,497.13	2,318,293.74	0.64%	0.30%
	2001	6,531,445.72	2,724,084.21	0.55%	0.37%
	2002	7,145,423.23	2,398,522.65	0.59%	0.35%
	2003	9,085,002.65	2,449,647.26	0.70%	0.34%
	2004	12,560,118.60	2,958,588.10	0.82%	0.36%
	2005	16,149,948.67	3,942,325.18	0.93%	0.44%
	2006	20,730,747.65	4,717,016.08	1.08%	0.45%
	2007	20,219,112.56	7,365,332.72	1.00%	0.63%
	2008	27,931,764.91	9,335,368.05	1.29%	0.72%
	2009	18,993,424.40	5,382,808.39	1.19%	0.51%
	2010	26,531,827.60	5,968,037.78	1.35%	0.47%
	2011	35,510,807.01	8,285,464.76	1.57%	0.56%
	2012	30,137,458.25	10,668,302.21	1.29%	0.69%
	2013	27,731,966.40	11,164,046.60	1.19%	0.71%
Nigeria	1996	6,171,326.98	816,164.54	0.75%	0.13%
	1997	6,704,461.82	814,291.78	0.75%	0.12%
	1998	4,548,370.43	819,617.92	0.48%	0.12%
	1999	4,631,925.76	628,336.06	0.44%	0.09%
	2000	11,051,771.15	718,473.56	0.88%	0.09%
	2001	9,180,003.09	957,193.58	0.78%	0.13%
	2002	6,219,095.98	1,057,045.61	0.52%	0.15%
	2003	10,948,543.78	1,022,896.44	0.84%	0.14%

	2004	17,111,894.47	1,552,233.01	1.12%	0.19%
	2005	25,109,245.23	1,614,971.81	1.45%	0.18%
	2006	28,959,183.99	2,230,798.01	1.51%	0.22%
	2007	33,740,485.96	2,786,672.99	1.67%	0.24%
	2008	39,217,292.44	4,101,984.68	1.81%	0.32%
	2009	19,737,385.89	3,658,007.53	1.23%	0.35%
	2010	31,357,508.33	4,039,710.91	1.59%	0.32%
	2011	34,348,098.18	4,814,874.81	1.52%	0.33%
	2012	19,523,407.72	5,114,095.65	0.84%	0.33%
	2013	11,984,788.74	6,474,500.08	0.51%	0.41%
Colombia	1996	4,524,999.68	4,708,709.89	0.55%	0.76%
	1997	5,033,779.71	5,198,589.95	0.56%	0.76%
	1998	4,939,560.45	4,816,698.37	0.52%	0.71%
	1999	6,609,788.42	3,532,031.23	0.62%	0.51%
	2000	7,355,094.52	3,688,639.28	0.58%	0.47%
	2001	6,067,496.39	3,605,590.36	0.51%	0.49%
	2002	5,935,893.66	3,588,760.39	0.49%	0.52%
	2003	6,790,018.14	3,754,700.81	0.52%	0.52%
	2004	7,766,337.12	4,504,442.89	0.51%	0.55%
	2005	9,424,380.29	5,414,943.15	0.54%	0.60%
	2006	9,826,571.59	6,708,245.21	0.51%	0.65%
	2007	10,033,876.76	8,559,637.26	0.50%	0.74%
	2008	13,832,363.81	11,438,774.06	0.64%	0.88%
	2009	11,875,343.18	9,457,772.23	0.74%	0.90%
	2010	16,217,740.28	12,043,950.77	0.82%	0.94%
	2011	23,721,499.08	14,314,594.57	1.05%	0.97%
	2012	25,224,591.62	16,394,565.00	1.08%	1.06%
	2013	22,152,082.26	18,606,321.10	0.95%	1.18%
Indonesia	1996	8,742,575.10	3,964,956.42	1.07%	0.64%
	1997	9,736,639.49	4,531,684.35	1.08%	0.66%
	1998	9,973,027.84	2,290,909.18	1.06%	0.34%
	1999	10,272,196.61	1,938,941.31	0.97%	0.28%
	2000	11,214,731.87	2,546,806.58	0.89%	0.33%
	2001	10,906,978.75	2,498,855.90	0.92%	0.34%
	2002	10,385,405.15	2,580,626.36	0.86%	0.37%
	2003	10,270,546.86	2,519,852.04	0.79%	0.35%
	2004	11,680,401.46	2,668,918.51	0.77%	0.33%
	2005	12,946,648.51	3,045,184.14	0.75%	0.34%
	2006	14,342,140.33	3,078,128.99	0.75%	0.30%
	2007	15,208,274.85	4,234,529.21	0.75%	0.36%
	2008	16,712,682.90	5,913,098.42	0.77%	0.45%
	2009	13,650,990.75	5,106,426.28	0.85%	0.48%
	2010	17,392,278.95	6,942,657.90	0.88%	0.54%
	2011	19,991,946.59	7,414,861.79	0.88%	0.50%
	2012	18,839,700.92	8,014,025.63	0.81%	0.52%
	2013	19,808,730.34	9,088,498.08	0.85%	0.58%
Spain	1996	4,563,106.82	5,485,839.36	0.56%	0.88%
	1997	4,910,707.71	5,543,686.14	0.55%	0.81%
	1998	5,111,673.86	5,464,626.18	0.54%	0.80%
	1999	5,406,158.85	6,131,582.46	0.51%	0.89%
	2000	6,149,644.13	6,322,849.79	0.49%	0.81%
	2001	5,581,498.51	5,810,909.37	0.47%	0.79%
	2002	6,062,796.14	5,225,687.57	0.50%	0.75%
	2003	7,140,245.56	5,934,218.70	0.55%	0.82%
	2004	7,931,047.37	6,639,018.47	0.52%	0.81%

	2005	9,127,800.29	6,933,612.60	0.53%	0.77%
	2006	10,401,726.73	7,404,802.32	0.54%	0.71%
	2007	11,074,635.34	9,879,261.60	0.55%	0.85%
	2008	11,572,987.25	12,283,005.45	0.53%	0.94%
	2009	8,190,323.37	8,750,694.73	0.51%	0.83%
	2010	8,883,901.16	10,150,152.04	0.45%	0.79%
	2011	11,423,316.08	10,651,325.46	0.50%	0.72%
	2012	12,220,165.12	9,496,873.37	0.52%	0.61%
	2013	12,165,813.88	10,236,057.56	0.52%	0.65%
United Arab Emirates	1996	537,857.47	2,526,890.24	0.07%	0.41%
	1997	964,423.68	2,605,578.75	0.11%	0.38%
	1998	707,870.21	2,369,609.22	0.07%	0.35%
	1999	756,008.90	2,712,975.87	0.07%	0.39%
	2000	1,036,241.16	2,290,306.39	0.08%	0.29%
	2001	1,283,555.55	2,639,494.87	0.11%	0.36%
	2002	998,236.01	3,598,427.91	0.08%	0.52%
	2003	1,211,734.74	3,509,857.83	0.09%	0.49%
	2004	1,214,420.15	4,063,713.99	0.08%	0.50%
	2005	1,540,926.06	8,476,570.78	0.09%	0.94%
	2006	1,447,037.07	11,920,407.68	0.08%	1.15%
	2007	1,394,073.64	11,608,037.36	0.07%	1.00%
	2008	1,347,550.41	15,748,648.78	0.06%	1.21%
	2009	1,565,393.40	12,106,581.44	0.10%	1.15%
	2010	1,195,858.44	11,636,612.08	0.06%	0.91%
	2011	2,508,195.66	15,885,883.35	0.11%	1.07%
	2012	2,313,638.29	22,563,326.64	0.10%	1.46%
	2013	2,381,415.86	24,600,806.00	0.10%	1.56%

Source: Comtrade via TradeSift (HS 1996 Total Trade)

#### Annex IV: Palestine's top trade partners 1996-2013

Partner	Year	Imports Value (‘000s USD)	Exports Value (‘000s USD)	Imports share	Exports share
World	1996	2,016,279.00	339,467.00	100.00%	100.00%
World	1997	2,238,560.00	380,423.00	100.00%	100.00%
World	1998	2,375,102.00	394,846.00	100.00%	100.00%
World	1999	3,007,227.00	372,148.00	100.00%	100.00%
World	2000	2,382,807.00	400,857.00	100.00%	100.00%
World	2001	2,033,647.00	290,349.00	100.00%	100.00%
World	2002	1,515,608.00	240,867.00	100.00%	100.00%
World	2003	1,800,268.00	279,680.00	100.00%	100.00%
World	2004	2,373,248.00	312,688.00	100.00%	100.00%
World	2005	2,667,592.00	335,443.00	100.00%	100.00%
World	2006	2,758,726.00	366,706.00	100.00%	100.00%
World	2007	3,141,279.29	512,982.82	100.00%	100.00%
World	2008	3,568,673.59	558,446.00	100.00%	100.00%
World	2009	3,600,785.37	518,355.48	100.00%	100.00%
World	2010	3,958,511.52	575,512.92	100.00%	100.00%
World	2011	4,221,105.70	719,588.97	100.00%	100.00%
World	2012	4,697,355.94	782,368.75	100.00%	100.00%
World	2013	5,163,897.46	900,617.86	100.00%	100.00%
Israel	1996	1,743,190.13	319,247.24	86.46%	94.04%

Israel	1997	1,852,943.48	360,250.78	82.77%	94.70%
Israel	1998	1,833,651.79	381,443.35	77.20%	96.61%
Israel	1999	1,857,229.43	360,426.99	61.76%	96.85%
Israel	2000	1,740,704.61	369,680.10	73.05%	92.22%
Israel	2001	1,352,896.73	273,109.09	66.53%	94.06%
Israel	2002	1,118,157.71	216,325.73	73.78%	89.81%
Israel	2003	1,309,641.90	256,018.62	72.75%	91.54%
Israel	2004	1,747,850.12	281,148.77	73.65%	89.91%
Israel	2005	1,873,700.41	290,558.19	70.24%	86.62%
Israel	2006	2,002,150.28	326,567.64	72.58%	89.05%
Israel	2007	2,307,935.29	455,231.68	73.47%	88.74%
Israel	2008	2,767,714.18	499,422.97	77.56%	89.43%
Israel	2009	2,651,128.87	453,494.35	73.63%	87.49%
Israel	2010	2,873,497.68	488,395.42	72.59%	84.86%
Israel	2011	2,938,379.64	617,781.53	69.61%	85.85%
Israel	2012	3,350,424.82	639,180.36	71.33%	81.70%
Israel	2013	3,694,820.63	785,110.86	71.55%	87.17%
EU	1996	155,743.94	244.14	7.72%	0.07%
EU	1997	188,825.10	915.15	8.44%	0.24%
EU	1998	233,608.42	1,649.95	9.84%	0.42%
EU	1999	498,001.40	1,526.16	16.56%	0.41%
EU	2000	272,589.97	1,708.87	11.44%	0.43%
EU	2001	374,485.22	2,480.65	18.41%	0.85%
EU	2002	179,737.18	8,921.95	11.86%	3.70%
EU	2003	161,285.31	7,073.67	8.96%	2.53%
EU	2004	215,814.95	7,058.54	9.09%	2.26%
EU	2005	252,291.91	11,556.07	9.46%	3.45%
EU	2006	227,589.51	2,640.60	8.25%	0.72%
EU	2007	250,863.57	18,078.26	7.99%	3.52%
EU	2008	289,237.77	8,121.22	8.10%	1.45%
EU	2009	348,496.32	4,739.52	9.68%	0.91%
EU	2010	368,048.76	9,874.67	9.30%	1.72%
EU	2011	444,337.19	14,462.80	10.53%	2.01%
EU	2012	469,295.84	14,392.09	9.99%	1.84%
EU	2013	455,472.33	13,151.73	8.82%	1.46%
GAFTA	1996	26,570.00	19,054.00	1.32%	5.61%
GAFTA	1997	56,146.00	19,058.00	2.51%	5.01%
GAFTA	1998	85,411.00	11,558.00	3.60%	2.93%
GAFTA	1999	81,071.00	9,638.00	2.70%	2.59%
GAFTA	2000	39,668.00	29,122.00	1.66%	7.26%
GAFTA	2001	36,781.00	14,576.00	1.81%	5.02%
GAFTA	2002	31,075.00	15,093.00	2.05%	6.27%
GAFTA	2003	45,721.00	14,977.00	2.54%	5.36%
GAFTA	2004	65,100.00	19,357.00	2.74%	6.19%
GAFTA	2005	69,000.00	25,855.00	2.59%	7.71%
GAFTA	2006	66,937.00	34,031.00	2.43%	9.28%
GAFTA	2007	78,239.47	34,771.88	2.49%	6.78%
GAFTA	2008	81,907.99	45,832.72	2.30%	8.21%

GAFTA	2009	91,959.41	47,247.73	2.55%	9.11%
GAFTA	2010	129,816.68	65,876.98	3.28%	11.45%
GAFTA	2011	162,301.23	73,958.40	3.84%	10.28%
GAFTA	2012	187,159.89	108,778.25	3.98%	13.90%
GAFTA	2013	214,774.86	84,214.46	4.16%	9.35%
Turkey	1996	8,982.18	0.00	0.45%	0.00%
Turkey	1997	35,558.00	0.00	1.59%	0.00%
Turkey	1998	48,439.25	0.00	2.04%	0.00%
Turkey	1999	141,671.29	6.99	4.71%	0.00%
Turkey	2000	65,905.51	284.53	2.77%	0.07%
Turkey	2001	58,984.59	147.96	2.90%	0.05%
Turkey	2002	61,280.56	82.42	4.04%	0.03%
Turkey	2003	96,469.87	139.26	5.36%	0.05%
Turkey	2004	116,670.66	1,227.88	4.92%	0.39%
Turkey	2005	120,665.64	1,227.83	4.52%	0.37%
Turkey	2006	92,526.18	274.92	3.35%	0.07%
Turkey	2007	81,885.39	429.01	2.61%	0.08%
Turkey	2008	68,511.44	123.09	1.92%	0.02%
Turkey	2009	110,348.08	53.00	3.06%	0.01%
Turkey	2010	179,112.32	483.49	4.52%	0.08%
Turkey	2011	233,819.56	418.12	5.54%	0.06%
Turkey	2012	233,842.30	833.03	4.98%	0.11%
Turkey	2013	289,169.86	2,987.65	5.60%	0.33%
China	1996	10,643.33	0.00	0.53%	0.00%
China	1997	16,187.59	0.00	0.72%	0.00%
China	1998	33,816.98	0.00	1.42%	0.00%
China	1999	98,171.85	0.00	3.26%	0.00%
China	2000	88,652.88	0.00	3.72%	0.00%
China	2001	44,629.67	0.00	2.19%	0.00%
China	2002	42,881.81	0.00	2.83%	0.00%
China	2003	63,584.08	42.36	3.53%	0.02%
China	2004	88,705.31	504.06	3.74%	0.16%
China	2005	110,935.17	373.98	4.16%	0.11%
China	2006	114,326.27	139.03	4.14%	0.04%
China	2007	143,834.33	113.06	4.58%	0.02%
China	2008	125,963.10	46.94	3.53%	0.01%
China	2009	161,815.70	11.71	4.49%	0.00%
China	2010	181,261.40	20.30	4.58%	0.00%
China	2011	194,118.01	0.00	4.60%	0.00%
China	2012	197,319.71	0.00	4.20%	0.00%
China	2013	236,601.08	0.00	4.58%	0.00%
USA	1996	24,765.52	671.94	1.23%	0.20%
USA	1997	24,002.38	2.01	1.07%	0.00%
USA	1998	33,382.85	75.17	1.41%	0.02%
USA	1999	87,186.94	291.90	2.90%	0.08%
USA	2000	56,690.50	70.03	2.38%	0.02%
USA	2001	40,293.32	123.13	1.98%	0.04%
USA	2002	190.36	203.30	0.01%	0.08%

USA	2003	31,021.99	668.01	1.72%	0.24%
USA	2004	39,475.27	1,649.29	1.66%	0.53%
USA	2005	31,908.00	4,136.35	1.20%	1.23%
USA	2006	21,644.29	2,389.47	0.78%	0.65%
USA	2007	24,303.50	3,358.52	0.77%	0.65%
USA	2008	37,680.28	3,559.10	1.06%	0.64%
USA	2009	40,356.03	6,131.72	1.12%	1.18%
USA	2010	41,919.49	7,273.01	1.06%	1.26%
USA	2011	39,900.89	8,702.17	0.95%	1.21%
USA	2012	43,899.90	13,576.83	0.93%	1.74%
USA	2013	41,750.41	11,616.49	0.81%	1.29%
Japan	1996	3,901.21	0.00	0.19%	0.00%
Japan	1997	6,031.64	0.00	0.27%	0.00%
Japan	1998	6,710.43	0.00	0.28%	0.00%
Japan	1999	29,438.69	0.00	0.98%	0.00%
Japan	2000	8,761.94	23.85	0.37%	0.01%
Japan	2001	35,820.81	0.06	1.76%	0.00%
Japan	2002	22,749.31	0.45	1.50%	0.00%
Japan	2003	13,634.65	0.00	0.76%	0.00%
Japan	2004	11,950.29	56.01	0.50%	0.02%
Japan	2005	46,970.11	187.79	1.76%	0.06%
Japan	2006	87,082.27	169.10	3.16%	0.05%
Japan	2007	103,109.41	101.17	3.28%	0.02%
Japan	2008	17,011.99	192.81	0.48%	0.03%
Japan	2009	18,712.35	460.13	0.52%	0.09%
Japan	2010	20,327.73	372.84	0.51%	0.06%
Japan	2011	17,013.07	256.78	0.40%	0.04%
Japan	2012	14,836.89	87.98	0.32%	0.01%
Japan	2013	12,485.66	476.10	0.24%	0.05%
South Korea	1996	8,349.55	0.00	0.41%	0.00%
South Korea	1997	9,750.32	0.00	0.44%	0.00%
South Korea	1998	17,174.59	0.00	0.72%	0.00%
South Korea	1999	46,702.77	0.00	1.55%	0.00%
South Korea	2000	15,448.18	0.00	0.65%	0.00%
South Korea	2001	8,292.93	0.13	0.41%	0.00%
South Korea	2002	5,010.45	0.00	0.33%	0.00%
South Korea	2004	3,261.40	15.31	0.14%	0.00%
South Korea	2005	10,788.38	0.00	0.40%	0.00%
South Korea	2006	2,492.50	0.00	0.09%	0.00%
South Korea	2007	12,872.51	0.00	0.41%	0.00%
South Korea	2008	27,696.97	0.00	0.78%	0.00%
South Korea	2009	50,511.95	0.00	1.40%	0.00%
South Korea	2010	29,654.56	258.94	0.75%	0.04%
South Korea	2011	46,900.96	697.18	1.11%	0.10%
South Korea	2012	42,403.61	231.45	0.90%	0.03%
South Korea	2013	38,352.45	299.48	0.74%	0.03%
EFTA	1996	5,497.21	0.00	0.27%	0.00%
EFTA	1997	7,525.45	6.74	0.34%	0.00%

EFTA	1998	14,151.69	3.06	0.60%	0.00%
EFTA	1999	11,810.72	0.00	0.39%	0.00%
EFTA	2000	8,334.63	0.00	0.35%	0.00%
EFTA	2001	5,748.72	0.01	0.28%	0.00%
EFTA	2002	5,187.06	239.72	0.34%	0.10%
EFTA	2003	7,250.37	318.23	0.40%	0.11%
EFTA	2004	9,181.94	77.73	0.39%	0.02%
EFTA	2005	15,947.90	172.72	0.60%	0.05%
EFTA	2006	16,125.39	273.97	0.58%	0.07%
EFTA	2007	35,462.09	116.02	1.13%	0.02%
EFTA	2008	53,901.76	168.25	1.51%	0.03%
EFTA	2009	4,670.74	173.21	0.13%	0.03%
EFTA	2010	37,348.82	453.67	0.94%	0.08%
EFTA	2011	40,756.83	461.06	0.97%	0.06%
EFTA	2012	14,162.91	378.65	0.30%	0.05%
EFTA	2013	10,139.09	382.82	0.20%	0.04%
MERCOSUR	1996	2,702.00	0.00	0.13%	0.00%
MERCOSUR	1997	3,796.19	0.00	0.17%	0.00%
MERCOSUR	1998	4,361.45	0.00	0.18%	0.00%
MERCOSUR	1999	4,052.02	0.00	0.13%	0.00%
MERCOSUR	2000	5,879.33	0.00	0.25%	0.00%
MERCOSUR	2001	8,550.60	0.14	0.42%	0.00%
MERCOSUR	2002	5,908.25	0.00	0.39%	0.00%
MERCOSUR	2003	8,546.22	0.00	0.47%	0.00%
MERCOSUR	2004	12,986.71	0.00	0.55%	0.00%
MERCOSUR	2005	14,642.75	0.00	0.55%	0.00%
MERCOSUR	2006	19,673.31	0.00	0.71%	0.00%
MERCOSUR	2007	13,087.38	2.31	0.42%	0.00%
MERCOSUR	2008	21,090.17	0.00	0.59%	0.00%
MERCOSUR	2009	20,481.50	0.00	0.57%	0.00%
MERCOSUR	2010	11,734.16	204.99	0.30%	0.04%
MERCOSUR	2011	21,886.26	65.33	0.52%	0.01%
MERCOSUR	2012	24,073.00	72.00	0.51%	0.01%
MERCOSUR	2013	26,395.85	0.00	0.51%	0.00%
Thailand	1996	507.11	0.00	0.03%	0.00%
Thailand	1997	1,030.86	0.00	0.05%	0.00%
Thailand	1998	5,926.49	0.00	0.25%	0.00%
Thailand	1999	21,088.13	0.00	0.70%	0.00%
Thailand	2000	5,690.57	0.00	0.24%	0.00%
Thailand	2001	9,992.86	0.00	0.49%	0.00%
Thailand	2002	4,169.09	0.00	0.28%	0.00%
Thailand	2003	3,604.88	0.00	0.20%	0.00%
Thailand	2004	4,912.80	0.00	0.21%	0.00%
Thailand	2005	49,096.46	0.00	1.84%	0.00%
Thailand	2006	9,389.69	0.00	0.34%	0.00%
Thailand	2007	25,460.43	0.00	0.81%	0.00%
Thailand	2008	8,316.52	0.00	0.23%	0.00%
Thailand	2009	14,263.41	0.00	0.40%	0.00%

Thailand	2010	9,089.27	3.72	0.23%	0.00%
Thailand	2011	12,872.63	0.00	0.30%	0.00%
Thailand	2012	16,875.37	0.00	0.36%	0.00%
Thailand	2013	23,353.78	0.00	0.45%	0.00%
India	1996	2,661.78	0.00	0.13%	0.00%
India	1997	3,201.33	0.00	0.14%	0.00%
India	1998	7,456.72	0.00	0.31%	0.00%
India	1999	14,005.29	0.00	0.47%	0.00%
India	2000	7,674.28	0.00	0.32%	0.00%
India	2001	5,796.61	0.00	0.29%	0.00%
India	2002	6,659.79	0.00	0.44%	0.00%
India	2003	7,566.68	0.00	0.42%	0.00%
India	2004	9,613.26	0.00	0.41%	0.00%
India	2005	12,375.11	0.00	0.46%	0.00%
India	2006	10,969.03	0.00	0.40%	0.00%
India	2007	12,560.24	0.00	0.40%	0.00%
India	2008	12,352.33	0.00	0.35%	0.00%
India	2009	15,112.18	0.00	0.42%	0.00%
India	2010	17,084.51	0.02	0.43%	0.00%
India	2011	21,465.90	462.81	0.51%	0.06%
India	2012	22,670.83	33.59	0.48%	0.00%
India	2013	23,506.68	0.00	0.46%	0.00%
Russia	1996	284.83	0.92	0.01%	0.00%
Russia	1997	1,036.40	71.08	0.05%	0.02%
Russia	1998	4,700.89	0.00	0.20%	0.00%
Russia	1999	12,302.69	0.00	0.41%	0.00%
Russia	2000	17,534.55	0.00	0.74%	0.00%
Russia	2001	11,846.92	0.05	0.58%	0.00%
Russia	2002	3,611.81	0.00	0.24%	0.00%
Russia	2003	6,715.92	1.97	0.37%	0.00%
Russia	2004	2,592.91	0.11	0.11%	0.00%
Russia	2005	7,071.04	0.00	0.27%	0.00%
Russia	2006	11,868.19	25.50	0.43%	0.01%
Russia	2007	7,988.44	10.59	0.25%	0.00%
Russia	2008	16,187.68	1.25	0.45%	0.00%
Russia	2009	2,512.46	7.20	0.07%	0.00%
Russia	2010	10,262.54	23.57	0.26%	0.00%
Russia	2011	8,548.02	291.52	0.20%	0.04%
Russia	2012	3,963.46	576.22	0.08%	0.07%
Russia	2013	6,185.30	150.30	0.12%	0.02%
Australia	1996	2,216.72	0.00	0.11%	0.00%
Australia	1997	4,839.20	0.00	0.22%	0.00%
Australia	1998	7,276.75	0.00	0.31%	0.00%
Australia	1999	5,148.84	0.00	0.17%	0.00%
Australia	2000	15,063.36	0.00	0.63%	0.00%
Australia	2001	12,824.81	1.00	0.63%	0.00%
Australia	2002	9,506.96	0.00	0.63%	0.00%
Australia	2003	9,601.35	18.11	0.53%	0.01%

Australia	2004	8,754.18	0.00	0.37%	0.00%
Australia	2005	7,693.68	0.00	0.29%	0.00%
Australia	2006	14,642.84	6.60	0.53%	0.00%
Australia	2007	1,968.46	94.16	0.06%	0.02%
Australia	2008	4,034.44	110.05	0.11%	0.02%
Australia	2009	2,171.15	62.29	0.06%	0.01%
Australia	2010	3,743.75	11.79	0.09%	0.00%
Australia	2011	3,299.44	35.61	0.08%	0.00%
Australia	2012	12,480.95	17.34	0.27%	0.00%
Australia	2013	4,834.92	20.98	0.09%	0.00%
Ukraine	1996	157.30	0.00	0.01%	0.00%
Ukraine	1997	301.51	2,002.97	0.01%	0.53%
Ukraine	1998	358.37	4.01	0.02%	0.00%
Ukraine	1999	4,213.21	0.00	0.14%	0.00%
Ukraine	2000	548.57	0.00	0.02%	0.00%
Ukraine	2001	515.06	1.42	0.03%	0.00%
Ukraine	2002	884.92	0.00	0.06%	0.00%
Ukraine	2003	6,106.57	0.00	0.34%	0.00%
Ukraine	2004	3,803.01	0.00	0.16%	0.00%
Ukraine	2005	553.78	0.00	0.02%	0.00%
Ukraine	2006	7,402.62	0.00	0.27%	0.00%
Ukraine	2007	4,828.88	0.00	0.15%	0.00%
Ukraine	2008	7,174.28	32.77	0.20%	0.01%
Ukraine	2009	6,303.45	14.44	0.18%	0.00%
Ukraine	2010	3,460.75	33.31	0.09%	0.01%
Ukraine	2011	3,022.29	25.66	0.07%	0.00%
Ukraine	2012	8,663.97	67.47	0.18%	0.01%
Ukraine	2013	22,177.82	11.92	0.43%	0.00%
Canada	1996	684.31	133.85	0.03%	0.04%
Canada	1997	582.49	15.29	0.03%	0.00%
Canada	1998	598.41	0.00	0.03%	0.00%
Canada	1999	3,285.66	0.00	0.11%	0.00%
Canada	2000	1,382.87	1.20	0.06%	0.00%
Canada	2001	768.57	4.46	0.04%	0.00%
Canada	2002	458.71	0.00	0.03%	0.00%
Canada	2003	568.54	134.35	0.03%	0.05%
Canada	2004	1,283.66	50.94	0.05%	0.02%
Canada	2005	1,405.40	82.16	0.05%	0.02%
Canada	2006	2,603.92	164.06	0.09%	0.04%
Canada	2007	5,151.99	242.57	0.16%	0.05%
Canada	2008	1,767.88	267.73	0.05%	0.05%
Canada	2009	2,649.62	2,664.82	0.07%	0.51%
Canada	2010	8,168.77	2,028.70	0.21%	0.35%
Canada	2011	2,394.00	1,788.69	0.06%	0.25%
Canada	2012	2,872.00	3,259.00	0.06%	0.42%
Canada	2013	2,686.51	908.04	0.05%	0.10%
Swaziland	2005	1.54	0.00	0.00%	0.00%
Swaziland	2008	3.17	0.00	0.00%	0.00%

Swaziland	2009	23,070.28	3,079.18	0.64%	0.59%
Swaziland	2010	102.40	0.00	0.00%	0.00%
Swaziland	2012	0.35	0.00	0.00%	0.00%
Swaziland	2013	1,407.07	0.00	0.03%	0.00%

Source: PCBS (HS 1996 Total Trade)

### Annex V: Palestinian exports to the USA (by product and year)

Palestinian exports to USA between 1996 and 2006 SITC Rev.3 5-digit, Source: PCBS				
Year	Product code	Product	Exports Value ('000s USD)	Exports Share
1996	42141	Virgin olive oil	650.13	96.75%
1996	11249	Spirits and distilled alcoholic beverages, n.e.s.	11.87	1.77%
1996	72521	Cutting machines	5.60	0.83%
1996	72681	Bookbinding machinery (including book-sewing machi...	2.82	0.42%
1996	55359	Depilatories and perfumery, cosmetic or toilet pre...	1.52	0.23%
<b>1996</b>	<b>Total</b>		<b>671.94</b>	<b>100.00%</b>
1997	11249	Spirits and distilled alcoholic beverages, n.e.s.	2.01	100.00%
<b>1997</b>	<b>Total</b>		<b>2.01</b>	<b>100.00%</b>
1998	66133	Tiles, cubes and similar articles of natural stone...	39.35	52.35%
1998	11249	Spirits and distilled alcoholic beverages, n.e.s.	18.09	24.07%
1998	66135	Monumental or building stone (except slate) and ar...	9.05	12.04%
1998	63541	Wooden frames for paintings, photographs, mirrors ...	4.81	6.40%
1998	93101	Special transactions and commodities not classified according to kind	2.87	3.82%
1998	63543	Manufactures of wood for domestic or decorative use (excluding ..	0.99	1.31%
<b>1998</b>	<b>Total</b>		<b>75.17</b>	<b>100.00%</b>
1999	72399	Other parts for the machinery of group 723 (exclud...	134.68	46.14%
1999	75221	Digital automatic data-processing machines, containing..	87.04	29.82%
1999	84141	Trousers, bib and brace overalls, breeches and shorts	32.26	11.05%
1999	84271	Blouses, shirts and shirt blouses	18.18	6.23%
1999	11217	Wine of fresh grapes (other than sparkling wine); ...	8.85	3.03%
1999	66134	Marble, travertine and alabaster and articles ther...	6.23	2.13%
1999	75274	Storage units, whether or not presented with the rest of a system	4.66	1.60%
<b>1999</b>	<b>Total</b>		<b>291.90</b>	<b>100.00%</b>
2000	85112	Footwear incorporating a protective metal toecap, not including ..	14.61	20.87%
2000	11221	Fermented beverages, n.e.s. (e.g., cider, perry, mead); ....	9.36	13.37%
2000	89879	Recorded media, n.e.s.	9.02	12.88%
2000	85113	Footwear, non-waterproof, incorporating a protecti...	9.00	12.85%
2000	07321	Other food preparations containing cocoa, in blocks, slabs or bars	7.40	10.57%
2000	89841	Magnetic tapes for sound recording or similar reco...	4.50	6.43%
2000	85142	Footwear with uppers of leather or composition lea...	3.72	5.32%
2000	85121	Ski boots and cross-country ski footwear, with out...	2.85	4.07%
2000	84271	Blouses, shirts and shirt blouses	2.30	3.28%
2000	89861	Magnetic tapes, recorded, of a width not exceeding...	2.22	3.17%
2000	84381	Underpants and briefs, men's or boys', knitted or ...	1.63	2.32%
2000	04843	Bread, pastry, cakes, biscuits and other bakers' wares, whethe...	1.35	1.93%
2000	84141	Trousers, bib and brace overalls, breeches and shorts	1.28	1.83%

2000	55321	Beauty or make-up preparations for the care of the skin	0.20	0.29%
2000	55415	Soap and organic surface-active products and prepa...	0.10	0.14%
2000	74439	Other machinery, not self-propelled	0.10	0.14%
2000	06221	Chewing-gum, whether or not sugar-coated, not cont...	0.08	0.12%
2000	06161	Natural honey	0.07	0.10%
2000	88115	Parts and accessories for photographic flashlight ...	0.06	0.09%
2000	74361	Machinery and apparatus for filtering or purifying...	0.04	0.06%
2000	76221	Radio-broadcast receivers capable of operating wit...	0.03	0.04%
2000	07121	Coffee, roasted	0.02	0.03%
2000	91101	Postal packages not classified according to kind	0.02	0.03%
2000	89215	Printed books, brochures, leaflets and similar pri...	0.02	0.03%
2000	12221	Cigarettes containing tobacco	0.01	0.02%
2000	89429	Toys, n.e.s.	0.01	0.02%
<b>2000</b>	<b>Total</b>		<b>70.03</b>	<b>100.00%</b>
2001	27311	Slate, whether or not roughly trimmed or merely cu...	57.33	46.56%
2001	66133	Tiles, cubes and similar articles of natural stone...	22.87	18.57%
2001	66135	Monumental or building stone (except slate) and ar...	19.13	15.53%
2001	66136	Marble, travertine and alabaster and articles ther...	10.98	8.92%
2001	11249	Spirits and distilled alcoholic beverages, n.e.s.	6.00	4.87%
2001	84221	Suits, women's or girls', of textile materials, no...	1.24	1.01%
2001	54293	Medicaments, n.e.s., put up in measured doses or i...	1.00	0.81%
2001	66391	Laboratory, chemical or industrial ceramic wares, ...	0.74	0.60%
2001	84321	Suits, men's or boys', of knitted or crocheted tex...	0.73	0.59%
2001	84241	Dresses	0.59	0.48%
2001	84511	Babies' garments and clothing accessories, not kni...	0.57	0.47%
2001	63543	Manufactures of wood for domestic or decorative use (excluding ...	0.47	0.38%
2001	84311	Overcoats, car coats, capes, cloaks, anoraks	0.47	0.38%
2001	85111	Waterproof footwear incorporating a protective met...	0.25	0.20%
2001	91101	Postal packages not classified according to kind	0.21	0.17%
2001	84512	Babies' garments and clothing accessories, knitted...	0.21	0.17%
2001	89429	Toys, n.e.s.	0.11	0.09%
2001	84323	Jackets and blazers, men's or boys', of knitted or...	0.07	0.05%
2001	06161	Natural honey	0.04	0.03%
2001	84371	Shirts, men's or boys', knitted or crocheted of co...	0.04	0.03%
2001	06221	Chewing-gum, whether or not sugar-coated, not cont...	0.03	0.02%
2001	89841	Magnetic tapes for sound recording or similar reco...	0.03	0.02%
2001	89215	Printed books, brochures, leaflets and similar pri...	0.01	0.01%
2001	89523	Pencils (other than pencils of heading 895.21), cr...	0.01	0.01%
2001	09899	Other food preparations	0.01	0.01%
2001	64231	Registers, account books, notebooks, order books, ...	0.00	0.00%
2001	89229	Newspapers, journals and periodicals, whether or n...	0.00	0.00%
<b>2001</b>	<b>Total</b>		<b>123.13</b>	<b>100.00%</b>
2002	27313	Granite, porphyry, basalt, sandstone and other mon...	72.10	35.47%
2002	66134	Marble, travertine and alabaster and articles ther...	51.55	25.36%
2002	09104	Margarine; edible mixtures or preparations of animal or vegetab..	47.68	23.45%
2002	66135	Monumental or building stone (except slate) and ar...	17.50	8.61%
2002	11231	Beer made from malt (including ale, stout and porter)	10.55	5.19%
2002	06222	Sugar confectionery (including white chocolate), not containi..	1.90	0.94%
2002	02421	Processed cheese, not grated or powdered	1.13	0.56%
2002	89911	Worked ivory, bone, tortoiseshell, horn, coral, mo...	0.84	0.42%

2002	01721	Sausages and similar products	0.03	0.01%
<b>2002</b>	<b>Total</b>		<b>203.30</b>	<b>100.00%</b>
2003	84261	Trousers, bib and brace overalls, breeches and shorts	145.95	21.85%
2003	66135	Monumental or building stone (except slate) and ar...	140.86	21.09%
2003	66134	Marble, travertine and alabaster and articles ther...	139.18	20.84%
2003	42141	Virgin olive oil	93.02	13.93%
2003	85191	Parts of footwear	52.58	7.87%
2003	05997	Juice of any single fruit (other than citrus) or vegetable;	44.36	6.64%
2003	66131	Setts, kerbstones and flagstones, of natural stone...	38.45	5.76%
2003	11242	Spirits obtained by distilling grape wine or grape...	7.50	1.12%
2003	63543	Manufactures of wood for domestic or decorative use (excluding ..	4.19	0.63%
2003	74523	Machinery for cleaning or drying bottles or other ...	1.90	0.28%
<b>2003</b>	<b>Total</b>		<b>668.01</b>	<b>100.00%</b>
2004	66134	Marble, travertine and alabaster and articles ther...	491.59	29.81%
2004	66135	Monumental or building stone (except slate) and ar...	348.56	21.13%
2004	42141	Virgin olive oil	269.50	16.34%
2004	72311	Bulldozers and angledozers, self-propelled	201.77	12.23%
2004	74431	Overhead travelling cranes on fixed support	87.75	5.32%
2004	63439	Plywood of wood, each ply < 6 mm thick, other	71.57	4.34%
2004	74317	Air compressors mounted on a wheeled chassis for t...	33.19	2.01%
2004	72321	Front-end shovel-loaders, self-propelled	32.66	1.98%
2004	84151	Shirts, men's or boys', of cotton, not knitted or ...	28.13	1.71%
2004	04842	Sweet biscuits, waffles and wafers, gingerbread an...	24.78	1.50%
2004	66133	Tiles, cubes and similar articles of natural stone...	18.36	1.11%
2004	27313	Granite, porphyry, basalt, sandstone and other mon...	13.23	0.80%
2004	05471	Vegetables provisionally preserved	12.87	0.78%
2004	11242	Spirits obtained by distilling grape wine or grape...	9.00	0.55%
2004	04843	Bread, pastry, cakes, biscuits and other bakers' wares, whether ..	4.56	0.28%
2004	72329	Other self-propelled mechanical shovels, excavator...	0.57	0.03%
2004	72722	Machinery, n.e.s., for the industrial preparation ...	0.40	0.02%
2004	29269	Other live plants (including their roots), cutting...	0.33	0.02%
2004	72393	Parts for boring or sinking machinery of heading 7...	0.26	0.02%
2004	72711	Machinery used in the milling industry or for the ...	0.15	0.01%
2004	06221	Chewing-gum, whether or not sugar-coated, not cont...	0.06	0.00%
<b>2004</b>	<b>Total</b>		<b>1,649.29</b>	<b>100.00%</b>
2005	66135	Monumental or building stone (except slate) and ar...	2,644.10	63.92%
2005	66134	Marble, travertine and alabaster and articles ther...	711.36	17.20%
2005	42141	Virgin olive oil	419.08	10.13%
2005	63549	Wood marquetry and inlaid wood; caskets and cases ...	106.90	2.58%
2005	63543	Manufactures of wood for domestic or decorative use (exclu..	92.84	2.24%
2005	66133	Tiles, cubes and similar articles of natural stone...	57.24	1.38%
2005	04842	Sweet biscuits, waffles and wafers, gingerbread an...	26.05	0.63%
2005	55321	Beauty or make-up preparations for the care of the skin	21.36	0.52%
2005	04843	Bread, pastry, cakes, biscuits and other bakers' wares, whether ..	14.23	0.34%
2005	11217	Wine of fresh grapes (other than sparkling wine); ...	9.00	0.22%
2005	66522	Drinking glasses other than of glass-ceramics	8.11	0.20%
2005	89879	Recorded media, n.e.s.	7.01	0.17%
2005	04621	Groats, meal and pellets, of wheat	6.43	0.16%
2005	66629	Statuettes and other ornamental ceramic articles, ...	3.72	0.09%
2005	77845	Other tools	3.00	0.07%

2005	66612	Other household or toilet articles of porcelain or...	1.90	0.05%
2005	72849	Machinery having individual functions, n.e.s.	1.81	0.04%
2005	66131	Setts, kerbstones and flagstones, of natural stone...	1.10	0.03%
2005	29261	Bulbs, tubers, tuberous roots, corms, crowns and r...	0.64	0.02%
2005	05471	Vegetables provisionally preserved	0.29	0.01%
2005	05473	Vegetables provisionally preserved	0.18	0.00%
<b>2005</b>	<b>Total</b>		<b>4,136.35</b>	<b>100.00%</b>
2006	66135	Monumental or building stone (except slate) and ar...	1,272.22	53.24%
2006	27312	Marble, travertine, ecaussine and other calcareous...	523.41	21.90%
2006	66134	Marble, travertine and alabaster and articles ther...	342.81	14.35%
2006	63549	Wood marquetry and inlaid wood; caskets and cases ...	62.50	2.62%
2006	42141	Virgin olive oil	43.60	1.82%
2006	66382	Friction material and articles thereof (e.g., shee...	43.46	1.82%
2006	85132	Other footwear, n.e.s., with outer soles and upper...	39.64	1.66%
2006	65659	Other embroidery	20.50	0.86%
2006	27313	Granite, porphyry, basalt, sandstone and other mon...	15.93	0.67%
2006	89399	Other articles of plastics	7.50	0.31%
2006	07528	Thyme, saffron and bay-leaves	5.00	0.21%
2006	84599	Garments, knitted or crocheted, n.e.s.	4.80	0.20%
2006	71632	Generators, alternating current	2.51	0.11%
2006	89867	Magnetic tapes, recorded, of a width exceeding 6.5...	2.45	0.10%
2006	04842	Sweet biscuits, waffles and wafers, gingerbread an...	1.89	0.08%
2006	55411	Soap and organic surface-active products and prepa...	1.25	0.05%
<b>2006</b>	<b>Total</b>		<b>2,389.47</b>	<b>100.00%</b>
<b>Total exported value 1996-2006</b>			<b>10,280.61</b>	

**Palestinian exports to USA between 2007 and 2013**  
*HS 1996 6-digit, Source: PCBS*

Year	Product	Product	Exports Value ('000s USD)	Exports Share
2007	680229	Cut or sawn slabs of stone nes	811.34	30.87%
2007	251511	Marble and travertine, crude or roughly trimmed	792.39	30.15%
2007	150910	Olive oil, virgin	588.91	22.41%
2007	392690	Plastic articles nes	165.35	6.29%
2007	190530	Sweet biscuits, waffles and wafers	61.14	2.33%
2007	442010	Statuettes and other ornaments of wood	59.49	2.26%
2007	511290	Woven fabric, combed wool or hair with natural fib...	37.94	1.44%
2007	200980	Single fruit, veg juice nes, not fermented or spir...	27.64	1.05%
2007	442090	Wood marquetry, laid; caskets & cases for jewels, ...	26.87	1.02%
2007	340119	Soaps for purposes other than toilet soap, solid	21.17	0.81%
2007	846591	Sawing machines for working wood, cork, etc	11.68	0.44%
2007	091099	Spices nes	7.67	0.29%
2007	200190	Veg, fruit, nuts nes prepared or preserved by vine...	5.03	0.19%
2007	110429	Cereals, hulled, pearled, sliced or kibbled nes	2.96	0.11%
2007	040900	Honey, natural	1.73	0.07%
2007	200290	Tomatoes nes, prepared or preserved, not in vinega...	1.53	0.06%
2007	392410	Plastic table and kitchen ware	1.26	0.05%
2007	080211	Almonds in shell fresh or dried	1.12	0.04%
2007	151550	Sesame oil or fractions not chemically modified	1.12	0.04%
2007	701890	Articles of glass except jewellery nes, toy glass ...	1.07	0.04%
2007	441520	Wooden pallets, box pallets and load boards	0.31	0.01%

2007	120740	Sesamum seeds	0.24	0.01%
<b>2007</b>	<b>Total</b>		<b>2,627.96</b>	<b>100.00%</b>
2008	150910	Olive oil, virgin	1,613.27	48.85%
2008	680229	Cut or sawn slabs of stone nes	916.08	27.74%
2008	251511	Marble and travertine, crude or roughly trimmed	362.01	10.96%
2008	442010	Statuettes and other ornaments of wood	186.41	5.64%
2008	680221	Cut or sawn slabs of marble, travertine or alabast...	58.20	1.76%
2008	200190	Veg, fruit, nuts nes prepared or preserved by vine...	52.84	1.60%
2008	611490	Garments nes, of materials nes, knit	42.66	1.29%
2008	441820	Doors, frames and thresholds, of wood	31.18	0.94%
2008	190530	Sweet biscuits, waffles and wafers	12.62	0.38%
2008	251622	Sandstone, merely cut into blocks etc	10.66	0.32%
2008	091099	Spices nes	7.37	0.22%
2008	220110	Mineral and aerated waters not sweetened or flavou...	6.53	0.20%
2008	681599	Articles of stone or of other mineral substances n...	2.35	0.07%
<b>2008</b>	<b>Total</b>		<b>3,302.18</b>	<b>100.00%</b>
2009	150910	Olive oil, virgin	3,600.42	59.00%
2009	680229	Cut or sawn slabs of stone nes	1,048.20	17.18%
2009	680221	Cut or sawn slabs of marble, travertine or alabast...	292.21	4.79%
2009	080410	Dates, fresh or dried	249.25	4.08%
2009	200190	Veg, fruit, nuts nes prepared or preserved by vine...	238.28	3.90%
2009	091099	Spices nes	172.84	2.83%
2009	442090	Wood marquetry, laid; caskets & cases for jewels, ...	126.98	2.08%
2009	121190	Plants & parts, pharmacy, perfume, insecticide use...	113.75	1.86%
2009	091091	Mixtures of spices	40.00	0.66%
2009	070320	Garlic, fresh or chilled	36.53	0.60%
2009	070990	Vegetables, fresh or chilled nes	30.12	0.49%
2009	070310	Onions and shallots, fresh or chilled	26.99	0.44%
2009	190530	Sweet biscuits, waffles and wafers	23.26	0.38%
2009	340119	Soaps for purposes other than toilet soap, solid	20.32	0.33%
2009	940421	Mattresses of cellular rubber or plastic	14.85	0.24%
2009	060410	Mosses and lichens for bouquets, ornamental purpos...	13.47	0.22%
2009	711411	Silver wares, silver ware plated with precious met...	10.81	0.18%
2009	200980	Single fruit, veg juice nes, not fermented or spir...	9.18	0.15%
2009	090920	Coriander seeds	7.58	0.12%
2009	621050	Womens, girls garments nes, of impregnated fabric	6.89	0.11%
2009	090190	Coffee husks and skins,	5.94	0.10%
2009	190240	Couscous	4.66	0.08%
2009	151550	Sesame oil or fractions not chemically modified	4.00	0.07%
2009	200990	Mixtures of juices not fermented or spirited	2.05	0.03%
2009	170490	Sugar confectionery not chewing gum, no cocoa cont...	1.36	0.02%
2009	220429	Grape wines, alcoholic grape must nes	1.06	0.02%
2009	220110	Mineral and aerated waters not sweetened or flavou...	1.02	0.02%
2009	080211	Almonds in shell fresh or dried	0.30	0.00%
2009	040900	Honey, natural	0.21	0.00%
2009	090412	Pepper of the genus Piper, crushed or ground	0.12	0.00%
2009	210690	Food preparations nes	0.01	0.00%
<b>2009</b>	<b>Total</b>		<b>6,102.64</b>	<b>100.00%</b>
2010	121190	Plants & parts, pharmacy, perfume, insecticide use...	3,076.05	42.29%
2010	150910	Olive oil, virgin	1,308.33	17.99%

2010	040690	Cheese except fresh, grated, processed or blue-vei...	710.02	9.76%
2010	251511	Marble and travertine, crude or roughly trimmed	549.97	7.56%
2010	190530	Sweet biscuits, waffles and wafers	529.69	7.28%
2010	680221	Cut or sawn slabs of marble, travertine or alabast...	317.14	4.36%
2010	442010	Statuettes and other ornaments of wood	232.83	3.20%
2010	680229	Cut or sawn slabs of stone nes	199.40	2.74%
2010	080410	Dates, fresh or dried	118.38	1.63%
2010	091099	Spices nes	55.53	0.76%
2010	481840	Sanitary articles of paper, sanitary towels, diape...	45.09	0.62%
2010	071120	Olives, provisionally preserved	42.22	0.58%
2010	170490	Sugar confectionery not chewing gum, no cocoa cont...	18.65	0.26%
2010	610610	Womens, girls blouses & shirts, of cotton, knit	15.00	0.21%
2010	210690	Food preparations nes	14.17	0.19%
2010	080290	Nuts edible, fresh or dried, nes	13.08	0.18%
2010	340119	Soaps for purposes other than toilet soap, solid	11.09	0.15%
2010	190240	Couscous	8.77	0.12%
2010	040900	Honey, natural	2.35	0.03%
2010	681099	Articles of cement, concrete or artificial stone n...	2.00	0.03%
2010	200980	Single fruit, veg juice nes, not fermented or spir...	1.47	0.02%
2010	120890	Flour or meal of oil seed, fruit, except mustard, ...	1.28	0.02%
2010	570190	Carpets of materials nes, knotted	0.42	0.01%
2010	200791	Citrus based jams jellies marmalade, etc.	0.09	0.00%
<b>2010</b>	<b>Total</b>		<b>7,273.01</b>	<b>100.00%</b>
2011	150910	Olive oil, virgin	2,944.92	33.84%
2011	680229	Cut or sawn slabs of stone nes	1,552.17	17.84%
2011	060390	Cut flowers and flower buds for bouquets, dried, e...	1,006.52	11.57%
2011	121190	Plants & parts, pharmacy, perfume, insecticide use...	817.00	9.39%
2011	070310	Onions and shallots, fresh or chilled	610.78	7.02%
2011	080410	Dates, fresh or dried	366.39	4.21%
2011	442010	Statuettes and other ornaments of wood	306.03	3.52%
2011	091099	Spices nes	266.30	3.06%
2011	091010	Ginger	248.13	2.85%
2011	071190	Vegetables nes and mixtures provisionally preserve...	150.34	1.73%
2011	190530	Sweet biscuits, waffles and wafers	96.77	1.11%
2011	090920	Coriander seeds	73.94	0.85%
2011	847990	Parts of machines and mechanical appliances nes	61.57	0.71%
2011	070990	Vegetables, fresh or chilled nes	57.63	0.66%
2011	852520	Transmit-receive apparatus for radio, TV, etc.	37.85	0.43%
2011	070529	Chicory, fresh or chilled, except witloof	25.41	0.29%
2011	070951	Mushrooms, fresh or chilled	18.51	0.21%
2011	340119	Soaps for purposes other than toilet soap, solid	9.78	0.11%
2011	040900	Honey, natural	9.34	0.11%
2011	220110	Mineral and aerated waters not sweetened or flavou...	9.14	0.11%
2011	090190	Coffee husks and skins,	8.24	0.09%
2011	110429	Cereals, hulled, pearled, sliced or kibbled nes	5.42	0.06%
2011	190240	Couscous	4.25	0.05%
2011	120220	Ground-nuts shelled, not roasted or cooked	4.16	0.05%
2011	210690	Food preparations nes	3.98	0.05%
2011	680221	Cut or sawn slabs of marble, travertine or alabast...	3.18	0.04%
2011	200290	Tomatoes nes, prepared or preserved, not in vinega...	2.38	0.03%

2011	091091	Mixtures of spices	0.78	0.01%
2011	731029	Cans, iron or steel, capacity <50 litres nes	0.58	0.01%
2011	040620	Cheese, grated or powdered, of all kinds	0.44	0.00%
2011	071120	Olives, provisionally preserved	0.22	0.00%
2011	170490	Sugar confectionery not chewing gum, no cocoa cont...	0.01	0.00%
2011	491199	Printed matter, nes	0.01	0.00%
<b>2011</b>	<b>Total</b>		<b>8,702.17</b>	<b>100.00%</b>
2012	121190	Plants & parts, pharmacy, perfume, insecticide use...	7,166.92	53.01%
2012	091099	Spices nes	2,064.81	15.27%
2012	150910	Olive oil, virgin	1,188.06	8.79%
2012	060110	Bulbs, tubers, corms, crowns and rhizomes, dormant	1,020.03	7.55%
2012	680229	Cut or sawn slabs of stone nes	582.48	4.31%
2012	071140	Cucumbers and gherkins provisionally preserved	382.37	2.83%
2012	442010	Statuettes and other ornaments of wood	331.89	2.45%
2012	251511	Marble and travertine, crude or roughly trimmed	234.48	1.73%
2012	999999	Commodities not specified according to kind	122.31	0.78%
2012	070529	Chicory, fresh or chilled, except witloof	106.08	0.55%
2012	160100	Sausages, similar products of meat, meat offal & b...	74.88	0.50%
2012	070951	Mushrooms, fresh or chilled	66.97	0.48%
2012	190530	Sweet biscuits, waffles and wafers	64.00	0.47%
2012	070970	Spinach fresh or chilled	45.51	0.34%
2012	220210	Beverage waters, sweetened or flavoured	28.08	0.21%
2012	071120	Olives, provisionally preserved	22.34	0.17%
2012	251611	Granite, crude or roughly trimmed	21.91	0.16%
2012	442090	Wood marquetry, laid; caskets & cases for jewels, ...	15.54	0.11%
2012	200799	Jams, fruit jellies, purees and pastes, except cit...	11.09	0.08%
2012	846591	Sawing machines for working wood, cork, etc	10.40	0.08%
2012	200290	Tomatoes nes, prepared or preserved, not in vinega...	8.17	0.06%
2012	040620	Cheese, grated or powdered, of all kinds	5.58	0.04%
2012	251622	Sandstone, merely cut into blocks etc	2.54	0.02%
2012	110311	Wheat meal	0.40	0.00%
<b>2012</b>	<b>Total</b>		<b>13,576.83</b>	<b>100.00%</b>
2013	121190	Plants & parts, pharmacy, perfume, insecticide use...	6,627.52	64.38%
2013	070310	Onions and shallots, fresh or chilled	1,021.89	9.93%
2013	251611	Granite, crude or roughly trimmed	792.04	7.69%
2013	150910	Olive oil, virgin	656.25	6.37%
2013	442010	Statuettes and other ornaments of wood	359.87	3.50%
2013	190590	Communion wafers, rice paper, bakers wares nes	225.79	2.19%
2013	080510	Oranges, fresh or dried	89.57	0.87%
2013	070529	Chicory, fresh or chilled, except witloof	88.02	0.86%
2013	071190	Vegetables nes and mixtures provisionally preserve...	77.74	0.76%
2013	680229	Cut or sawn slabs of stone nes	46.26	0.45%
2013	392310	Boxes, cases, crates etc. of plastic	45.13	0.44%
2013	080410	Dates, fresh or dried	41.79	0.41%
2013	070951	Mushrooms, fresh or chilled	32.83	0.32%
2013	070990	Vegetables, fresh or chilled nes	24.14	0.23%
2013	160100	Sausages, similar products of meat, meat offal & b...	20.14	0.20%
2013	080450	Guavas, mangoes and mangosteens, fresh or dried	19.00	0.18%
2013	091099	Spices nes	16.40	0.16%
2013	070960	Peppers (Capsicum, Pimenta) fresh or chilled	15.15	0.15%

2013	640351	Footwear, soles, uppers of leather, over ankle, ne...	12.00	0.12%
2013	846591	Sawing machines for working wood, cork, etc	10.18	0.10%
2013	080540	Grapefruit, fresh or dried	8.82	0.09%
2013	110311	Wheat meal	8.75	0.08%
2013	731290	Plaited bands/etc, iron/steel, no electric insulat...	8.60	0.08%
2013	080440	Avocados, fresh or dried	6.46	0.06%
2013	300490	Medicaments nes, in dosage	6.28	0.06%
2013	120890	Flour or meal of oil seed, fruit, except mustard, ...	5.38	0.05%
2013	200410	Potatoes, prepared, frozen	5.00	0.05%
2013	040690	Cheese except fresh, grated, processed or blue-vei...	4.48	0.04%
2013	151550	Sesame oil or fractions not chemically modified	2.33	0.02%
2013	080520	Mandarin, clementine & citrus hybrids, fresh or dr...	2.03	0.02%
2013	071120	Olives, provisionally preserved	2.03	0.02%
2013	070320	Garlic, fresh or chilled	1.92	0.02%
2013	071080	Vegetables, frozen nes, uncooked steamed or boiled	1.68	0.02%
2013	091010	Ginger	1.60	0.02%
2013	080610	Grapes, fresh	1.47	0.01%
2013	060110	Bulbs, tubers, corms, crowns and rhizomes, dormant	1.23	0.01%
2013	831110	Electrodes, coated, of base metal, for arc welding	0.88	0.01%
2013	761691	Cloth,grill,aluminium wi	0.70	0.01%
2013	940340	Kitchen furniture, wooden, nes	0.48	0.00%
2013	620891	Womens, girls panties, bathrobes etc, cotton, not ...	0.35	0.00%
2013	080231	Walnuts in shell, fresh or dried	0.32	0.00%
2013	520921	Plain weave cotton, >85% >200g/m2, bleached	0.32	0.00%
2013	392690	Plastic articles nes	0.25	0.00%
2013	731811	Screws, coach, iron or steel	0.23	0.00%
2013	110429	Cereals, hulled, pearled, sliced or kibbled nes	0.21	0.00%
2013	040310	Yogurt	0.12	0.00%
2013	611490	Garments nes, of materials nes, knit	0.11	0.00%
2013	080211	Almonds in shell fresh or dried	0.11	0.00%
2013	721399	Bars&rods,iron/na st irr	0.09	0.00%
2013	732510	Cast articles, of non-malleable cast iron nes	0.08	0.00%
2013	120810	Soya bean flour or meal	0.07	0.00%
2013	551219	Woven fabric >85% polyester staple fibres, nes	0.07	0.00%
2013	841919	Instantaneous/storage water heaters, not electric ...	0.07	0.00%
2013	220300	Beer made from malt	0.02	0.00%
2013	<b>Total</b>		<b>10,294.21</b>	<b>100.00%</b>
<b>Total exported value 2007-2013</b>			<b>51,878.99</b>	

#### ***Annex VI: Palestinian imports from the USA (by product and year)***

Palestinian imports from USA between 1996 and 2006 SITC Rev.3 5-digit, Source: PCBS				
Year	Product	Product	Imports Value (‘000s USD)	Imports Share
1996	12221	Cigarettes containing tobacco	10,965.53	44.28%
1996	42169	Maize (corn) oil, refined, and its fractions	1,517.09	6.13%
1996	87229	Other medical, surgical or veterinary instruments ...	904.08	3.65%
1996	72333	Tamping machines and roadrollers, self-propelled	569.47	2.30%
1996	87237	Mechanotherapy appliances; massage apparatus; ..	559.55	2.26%

1996	65319	Woven fabrics of synthetic filaments, n.e.s.	537.80	2.17%
1996	65343	Fabrics, woven, <85% of synthetic fibres, mixed wi...	511.33	2.06%
1996	72393	Parts for boring or sinking machinery of heading 7...	442.27	1.79%
1996	52499	Inorganic compounds, n.e.s. (including distilled o...	395.81	1.60%
1996	54293	Medicaments, n.e.s., put up in measured doses or i...	295.50	1.19%
1996	75997	Parts and accessories for the machines of group 75...	290.65	1.17%
1996	57399	Other polymers of vinyl chloride or of other halog...	276.60	1.12%
1996	54199	Other pharmaceutical goods	263.03	1.06%
1996	75221	Digital automatic data-processing machines, ..	255.10	1.03%
1996	87227	Instruments and appliances used in medical, surgical or ..	235.17	0.95%
1996	Others		6,746.54	27.24%
<b>1996</b>	<b>Total</b>		<b>24,765.52</b>	<b>100.00%</b>
1997	12221	Cigarettes containing tobacco	6,015.54	25.06%
1997	42169	Maize (corn) oil, refined, and its fractions	1,589.55	6.62%
1997	65319	Woven fabrics of synthetic filaments, n.e.s.	1,211.27	5.05%
1997	05774	Almonds, fresh or dried, whether or not shelled or...	775.95	3.23%
1997	87229	Other medical, surgical or veterinary instruments ...	750.98	3.13%
1997	65343	Fabrics, woven, <85% of synthetic fibres, mixed wi...	679.27	2.83%
1997	22241	Sunflower seeds	480.27	2.00%
1997	51489	Compounds with other nitrogen function	453.28	1.89%
1997	72393	Parts for boring or sinking machinery of heading 7...	446.14	1.86%
1997	25191	Semi-chemical wood pulp	395.76	1.65%
1997	82155	Furniture, n.e.s., of wood, of a kind used in the ...	388.57	1.62%
1997	75997	Parts and accessories for the machines of group 75...	371.41	1.55%
1997	77521	Refrigerators, household-type (electric or other),...	352.00	1.47%
1997	52499	Inorganic compounds, n.e.s. (including distilled o...	351.08	1.46%
1997	33451	Lubricating petroleum oils and oils obtained from bituminous..	344.73	1.44%
1997	Others		9,396.58	39.15%
<b>1997</b>	<b>Total</b>		<b>24,002.38</b>	<b>100.00%</b>
1998	12221	Cigarettes containing tobacco	10,746.62	32.19%
1998	42169	Maize (corn) oil, refined, and its fractions	1,702.85	5.10%
1998	65319	Woven fabrics of synthetic filaments, n.e.s.	1,013.08	3.03%
1998	89435	Other games, coin- or disc-operated (not bowling a...	706.20	2.12%
1998	42161	Maize (corn) oil, crude	608.31	1.82%
1998	71651	Electric generating sets with compression-ignition...	546.26	1.64%
1998	33451	Lubricating petroleum oils and oils obtained from bituminous..	539.67	1.62%
1998	25191	Semi-chemical wood pulp	533.92	1.60%
1998	82159	Furniture, n.e.s., of wood	524.36	1.57%
1998	04849	Bread and bread products, n.e.s.	502.98	1.51%
1998	77261	Boards, panels (including numerical control panels...	480.62	1.44%
1998	25151	Chemical wood pulp, soda or sulphate, bleached, co...	452.22	1.35%
1998	29254	Other vegetable seeds of a kind used for sowing	426.35	1.28%
1998	05774	Almonds, fresh or dried, whether or not shelled or...	387.21	1.16%
1998	04212	Rice in the husk (paddy or rough rice)	371.57	1.11%
1998	Others		13,840.63	41.46%
<b>1998</b>	<b>Total</b>		<b>33,382.85</b>	<b>100.00%</b>
1999	69421	Screws, bolts, nuts, coach screws, screw hooks, ri...	5,058.76	5.80%
1999	12111	Tobacco, not stemmed/stripped	2,556.27	2.93%
1999	81229	Ceramic sinks, wash-basins, wash-basin pedestals, ...	2,423.17	2.78%
1999	04111	Durum wheat, unmilled	2,326.11	2.67%

1999	77511	Household- or laundry-type washing machines (inclu...	2,265.99	2.60%
1999	72811	Machine tools for working stone, ceramics, concret...	1,943.08	2.23%
1999	66523	Glassware of a kind used for table (other than dri...	1,930.19	2.21%
1999	78122	Motor vehicles for the transport of persons, n.e.s.	1,816.06	2.08%
1999	04231	Rice, semi-milled or wholly milled, whether or not...	1,777.06	2.04%
1999	82159	Furniture, n.e.s., of wood	1,639.56	1.88%
1999	66245	Glazed ceramic flags and paving, hearth or wall ti...	1,634.85	1.88%
1999	66495	Thin sheets (voiles), webs, mats, mattresses, boar...	1,415.21	1.62%
1999	05996	Mixtures of fruit or vegetable juices	1,385.04	1.59%
1999	66135	Monumental or building stone (except slate) and ar...	1,335.11	1.53%
1999	72322	Mechanical shovels, excavators and shovel-loaders ...	1,308.86	1.50%
1999	Others		56,371.62	64.66%
<b>1999</b>	<b>Total</b>		<b>87,186.94</b>	<b>100.00%</b>
2000	12221	Cigarettes containing tobacco	21,184.01	37.37%
2000	04111	Durum wheat, unmilled	8,523.76	15.04%
2000	42161	Maize (corn) oil, crude	2,020.87	3.56%
2000	77521	Refrigerators, household-type (electric or other),...	1,662.04	2.93%
2000	25151	Chemical wood pulp, soda or sulphate, bleached, co...	1,270.72	2.24%
2000	82159	Furniture, n.e.s., of wood	1,089.03	1.92%
2000	33411	Motor spirit (gasoline), including aviation spirit	1,028.40	1.81%
2000	51489	Compounds with other nitrogen function	1,007.16	1.78%
2000	76415	Telephonic or telegraphic switching apparatus	942.98	1.66%
2000	69978	Articles of tin, n.e.s.	853.87	1.51%
2000	74361	Machinery and apparatus for filtering or purifying...	676.16	1.19%
2000	05676	Potatoes prepared or preserved otherwise than by v...	666.01	1.17%
2000	29254	Other vegetable seeds of a kind used for sowing	493.09	0.87%
2000	62991	Hard rubber (e.g., ebonite), in all forms (includi...	447.20	0.79%
2000	75997	Parts and accessories for the machines of group 75...	427.44	0.75%
2000	Others		14,397.76	25.40%
<b>2000</b>	<b>Total</b>		<b>56,690.50</b>	<b>100.00%</b>
2001	12221	Cigarettes containing tobacco	18,980.18	47.11%
2001	25151	Chemical wood pulp, soda or sulphate, bleached, co...	1,463.49	3.63%
2001	04111	Durum wheat, unmilled	1,314.40	3.26%
2001	51489	Compounds with other nitrogen function	1,212.79	3.01%
2001	05676	Potatoes prepared or preserved otherwise than by v...	1,193.71	2.96%
2001	33411	Motor spirit (gasoline), including aviation spirit	1,163.77	2.89%
2001	42161	Maize (corn) oil, crude	998.74	2.48%
2001	67241	Ingots of iron (other than iron of heading 671.33)...	943.07	2.34%
2001	05774	Almonds, fresh or dried, whether or not shelled or...	871.98	2.16%
2001	67621	Bars and rods (not of 676.1) iron,n/a steel	633.10	1.57%
2001	77521	Refrigerators, household-type (electric or other),...	531.79	1.32%
2001	29254	Other vegetable seeds of a kind used for sowing	410.91	1.02%
2001	01252	Edible offal of bovine animals, frozen	407.67	1.01%
2001	87446	Instruments and apparatus for physical or chemical...	400.38	0.99%
2001	74361	Machinery and apparatus for filtering or purifying...	379.57	0.94%
2001	Others		9,387.78	23.30%
<b>2001</b>	<b>Total</b>		<b>40,293.32</b>	<b>100.00%</b>
2002	24841	Wood of non-coniferous species, sawn or chipped lengthwise,...	137.71	72.34%
2002	07414	Other black tea (fermented) and other partly ferme...	12.73	6.69%
2002	84321	Suits, men's or boys', of knitted or crocheted tex...	7.81	4.10%

2002	84241	Dresses	3.83	2.01%
2002	89215	Printed books, brochures, leaflets and similar pri...	3.02	1.59%
2002	84221	Suits, women's or girls', of textile materials, no...	2.65	1.39%
2002	85121	Ski boots and cross-country ski footwear, with out...	1.90	1.00%
2002	74261	Centrifugal pumps, n.e.s.	1.74	0.92%
2002	75221	Digital automatic data-processing machines, ..	1.67	0.88%
2002	84371	Shirts, men's or boys', knitted or crocheted of co...	1.59	0.83%
2002	84141	Trousers, bib and brace overalls, breeches and shorts	1.56	0.82%
2002	55359	Depilatories and perfumery, cosmetic or toilet pre...	1.49	0.78%
2002	85111	Waterproof footwear incorporating a protective met...	1.39	0.73%
2002	84281	Slips and petticoats, women's or girls', of textil...	0.98	0.51%
2002	84311	Overcoats, car coats, capes, cloaks, anoraks	0.89	0.47%
2002	Others		9.40	4.94%
<b>2002</b>	<b>Total</b>		<b>190.36</b>	<b>100.00%</b>
2003	12221	Cigarettes containing tobacco	15,586.18	50.24%
2003	42169	Maize (corn) oil, refined, and its fractions	1,995.22	6.43%
2003	02511	Birds' eggs, in shell, fresh, preserved or cooked	984.85	3.17%
2003	29254	Other vegetable seeds of a kind used for sowing	907.00	2.92%
2003	77412	Other electrodiagnostic apparatus (including appar...	584.66	1.88%
2003	77521	Refrigerators, household-type (electric or other),...	508.08	1.64%
2003	71651	Electric generating sets with compression-ignition...	342.02	1.10%
2003	78219	Motor vehicles for the transport of goods, n.e.s.	341.86	1.10%
2003	25151	Chemical wood pulp, soda or sulphate, bleached, co...	322.06	1.04%
2003	33429	Other medium petroleum oils and medium oils obtain...	311.83	1.01%
2003	05676	Potatoes prepared or preserved otherwise than by v...	286.69	0.92%
2003	06129	Other beet or cane sugar in solid form, other than...	280.22	0.90%
2003	25152	Chemical wood pulp, soda or sulphate, bleached, no...	270.87	0.87%
2003	87446	Instruments and apparatus for physical or chemical...	237.09	0.76%
2003	82159	Furniture, n.e.s., of wood	224.07	0.72%
2003	Others		7,839.29	25.27%
<b>2003</b>	<b>Total</b>		<b>31,021.99</b>	<b>100.00%</b>
2004	12221	Cigarettes containing tobacco	21,217.34	53.75%
2004	42169	Maize (corn) oil, refined, and its fractions	1,129.24	2.86%
2004	76384	Sound-recording apparatus, whether or not incorpor...	1,049.77	2.66%
2004	77521	Refrigerators, household-type (electric or other),...	884.16	2.24%
2004	33429	Other medium petroleum oils and medium oils obtain...	828.59	2.10%
2004	57311	Polyvinyl chloride, not mixed with any other subst...	811.12	2.05%
2004	87229	Other medical, surgical or veterinary instruments ...	808.04	2.05%
2004	29254	Other vegetable seeds of a kind used for sowing	581.92	1.47%
2004	55422	Surface-active washing or cleaning preparations, n...	561.40	1.42%
2004	75295	Data-processing equipment, n.e.s.	545.03	1.38%
2004	25152	Chemical wood pulp, soda or sulphate, bleached, no...	544.84	1.38%
2004	78219	Motor vehicles for the transport of goods, n.e.s.	405.09	1.03%
2004	87233	Ozone therapy, oxygen therapy, aerosol therapy, ar...	345.71	0.88%
2004	25151	Chemical wood pulp, soda or sulphate, bleached, co...	337.17	0.85%
2004	72321	Front-end shovel-loaders, self-propelled	236.71	0.60%
2004	Others		9,189.13	23.28%
<b>2004</b>	<b>Total</b>		<b>39,475.27</b>	<b>100.00%</b>
2005	12221	Cigarettes containing tobacco	8,968.49	28.11%
2005	77421	Apparatus based on the use of X-rays, whether or n...	3,714.75	11.64%

2005	76419	Other telephonic or telegraphic apparatus	1,194.72	3.74%
2005	33429	Other medium petroleum oils and medium oils obtain...	1,052.35	3.30%
2005	57311	Polyvinyl chloride, not mixed with any other subst...	833.40	2.61%
2005	87229	Other medical, surgical or veterinary instruments ...	831.53	2.61%
2005	42169	Maize (corn) oil, refined, and its fractions	758.57	2.38%
2005	05676	Potatoes prepared or preserved otherwise than by v...	710.76	2.23%
2005	77521	Refrigerators, household-type (electric or other),...	699.12	2.19%
2005	74145	Other refrigerating or freezing equipment; heat pu...	630.41	1.98%
2005	25151	Chemical wood pulp, soda or sulphate, bleached, co...	572.82	1.80%
2005	25152	Chemical wood pulp, soda or sulphate, bleached, no...	487.29	1.53%
2005	74189	Other machinery, plant or equipment	452.04	1.42%
2005	04231	Rice, semi-milled or wholly milled, whether or not...	391.47	1.23%
2005	75199	Office machines, n.e.s.	376.50	1.18%
2005	Others		10,233.78	32.07%
<b>2005</b>	<b>Total</b>		<b>31,908.00</b>	<b>100.00%</b>
2006	12221	Cigarettes containing tobacco	4,579.32	21.16%
2006	02513	Birds' eggs, in shell, fresh, preserved or cooked	1,248.37	5.77%
2006	33429	Other medium petroleum oils and medium oils obtain...	1,050.09	4.85%
2006	25152	Chemical wood pulp, soda or sulphate, bleached, no...	896.70	4.14%
2006	42169	Maize (corn) oil, refined, and its fractions	855.86	3.95%
2006	54293	Medicaments, n.e.s., put up in measured doses or i...	663.01	3.06%
2006	76419	Other telephonic or telegraphic apparatus	558.87	2.58%
2006	25151	Chemical wood pulp, soda or sulphate, bleached, co...	558.29	2.58%
2006	93101	Special transactions and commodities not classified according..	542.38	2.51%
2006	05676	Potatoes prepared or preserved otherwise than by v...	511.48	2.36%
2006	77412	Other electrodiagnostic apparatus (including appar...	397.69	1.84%
2006	75199	Office machines, n.e.s.	362.95	1.68%
2006	87229	Other medical, surgical or veterinary instruments ...	356.67	1.65%
2006	29254	Other vegetable seeds of a kind used for sowing	312.52	1.44%
2006	77878	Other electrical machines and apparatus, having in...	299.39	1.38%
2006	Others		8,450.69	39.04%
<b>2006</b>	<b>Total</b>		<b>21,644.29</b>	<b>100.00%</b>
<b>Total imported value 1996-2006</b>			<b>390,561.42</b>	
<b>Palestinian imports from USA between 2007 and 2013</b>				
<i>HS 1996 6-digit, Source: PCBS via TradeSift</i>				
Year	Product	Product	Imports Value (‘000s USD)	Imports Share
2007	240220	Cigarettes containing tobacco	3,635.48	14.96%
2007	390410	Polyvinyl chloride in primary forms	1,368.57	5.63%
2007	100630	Rice, semi-milled or wholly milled	1,367.64	5.63%
2007	271000	Petroleum oils&oils obta	1,158.70	4.77%
2007	200520	Potatoes, prepared or preserved, not frozen/vinega...	1,019.13	4.19%
2007	151529	Maize oil, fractions, refined not chemically modif...	862.59	3.55%
2007	470329	Chem wood pulp, soda/sulphate, non-conifer, bleach...	853.49	3.51%
2007	390120	Polyethylene - specific gravity >0.94 in primary f...	789.40	3.25%
2007	390110	Polyethylene - specific gravity <0.94 in primary f...	768.25	3.16%
2007	300490	Medicaments nes, in dosage	685.11	2.82%
2007	847290	Office machines, nes	662.77	2.73%
2007	390190	Polymers of ethylene nes, in primary forms	589.19	2.42%
2007	901890	Instruments, appliances for medical, etc science, ...	588.63	2.42%
2007	851780	Elect apparatus for line	487.17	2.00%

2007	120991	Seed, vegetable, nes for sowing	403.30	1.66%
2007	Others		9,063.85	37.29%
<b>2007</b>	<b>Total</b>		<b>24,303.27</b>	<b>100.00%</b>
2008	100630	Rice, semi-milled or wholly milled	5,791.83	15.37%
2008	870324	Automobiles, spark ignition engine of >3000 cc	4,632.79	12.30%
2008	300490	Medicaments nes, in dosage	3,026.09	8.03%
2008	390190	Polymers of ethylene nes, in primary forms	2,227.07	5.91%
2008	390410	Polyvinyl chloride in primary forms	1,454.20	3.86%
2008	870333	Automobiles, diesel engine of >2500 cc	1,209.28	3.21%
2008	870322	Automobiles, spark ignition engine of 1000-1500 cc	1,103.41	2.93%
2008	901890	Instruments, appliances for medical, etc science, ...	950.20	2.52%
2008	470329	Chem wood pulp, soda/sulphate, non-conifer, bleach...	910.42	2.42%
2008	870321	Automobiles, spark ignition engine of <1000 cc	787.96	2.09%
2008	390120	Polyethylene - specific gravity >0.94 in primary f...	741.71	1.97%
2008	151529	Maize oil, fractions, refined not chemically modif...	650.90	1.73%
2008	271000	Petroleum oils&oils obta	638.25	1.69%
2008	870332	Automobiles, diesel engine of 1500-2500 cc	570.32	1.51%
2008	845221	Automatic sewing machines, other than book-sewing ...	470.10	1.25%
2008	Others		12,512.35	33.21%
<b>2008</b>	<b>Total</b>		<b>37,676.88</b>	<b>100.00%</b>
2009	100630	Rice, semi-milled or wholly milled	7,932.52	19.76%
2009	390120	Polyethylene - specific gravity >0.94 in primary f...	3,781.31	9.42%
2009	870333	Automobiles, diesel engine of >2500 cc	2,604.75	6.49%
2009	300490	Medicaments nes, in dosage	2,013.46	5.02%
2009	870421	Diesel powered trucks weighing < 5 tonnes	1,538.94	3.83%
2009	390190	Polymers of ethylene nes, in primary forms	1,514.78	3.77%
2009	901890	Instruments, appliances for medical, etc science, ...	1,345.93	3.35%
2009	151529	Maize oil, fractions, refined not chemically modif...	1,086.91	2.71%
2009	870324	Automobiles, spark ignition engine of >3000 cc	1,066.48	2.66%
2009	470329	Chem wood pulp, soda/sulphate, non-conifer, bleach...	996.48	2.48%
2009	390410	Polyvinyl chloride in primary forms	836.68	2.08%
2009	370110	X-ray plates and films	679.66	1.69%
2009	120991	Seed, vegetable, nes for sowing	553.46	1.38%
2009	390110	Polyethylene - specific gravity <0.94 in primary f...	511.13	1.27%
2009	901920	Therapeutic respiration apparatus	498.12	1.24%
2009	Others		13,179.19	32.83%
<b>2009</b>	<b>Total</b>		<b>40,139.79</b>	<b>100.00%</b>
2010	902214	X-rays apparatus, medica	4,792.40	11.43%
2010	300490	Medicaments nes, in dosage	2,734.10	6.52%
2010	390410	Polyvinyl chloride in primary forms	2,446.75	5.84%
2010	902212	Computed tomography appa	1,666.77	3.98%
2010	151529	Maize oil, fractions, refined not chemically modif...	1,463.46	3.49%
2010	901890	Instruments, appliances for medical, etc science, ...	1,438.93	3.43%
2010	100630	Rice, semi-milled or wholly milled	1,399.84	3.34%
2010	120991	Seed, vegetable, nes for sowing	1,265.25	3.02%
2010	390120	Polyethylene - specific gravity >0.94 in primary f...	1,190.20	2.84%
2010	870190	Wheeled tractors nes	1,184.24	2.83%
2010	870324	Automobiles, spark ignition engine of >3000 cc	921.73	2.20%
2010	870421	Diesel powered trucks weighing < 5 tonnes	898.88	2.14%
2010	870520	Mobile drilling derricks	897.62	2.14%

2010	870323	Automobiles, spark ignition engine of 1500-3000 cc	880.22	2.10%
2010	150790	Refined soya-bean oil, not chemically modified	760.79	1.81%
2010	Others		17,978.34	42.89%
<b>2010</b>	<b>Total</b>		<b>41,919.49</b>	<b>100.00%</b>
2011	300490	Medicaments nes, in dosage	3,270.79	8.20%
2011	390410	Polyvinyl chloride in primary forms	2,508.46	6.29%
2011	100630	Rice, semi-milled or wholly milled	2,442.91	6.12%
2011	870190	Wheeled tractors nes	2,047.19	5.13%
2011	151529	Maize oil, fractions, refined not chemically modif...	1,398.12	3.50%
2011	300220	Vaccines, human use	1,316.91	3.30%
2011	901890	Instruments, appliances for medical, etc science, ...	1,291.06	3.24%
2011	150790	Refined soya-bean oil, not chemically modified	965.89	2.42%
2011	040700	Birds eggs, in shell, fresh, preserved or cooked	930.46	2.33%
2011	940161	Seats with wooden frames, upholstered nes	922.25	2.31%
2011	200520	Potatoes, prepared or preserved, not frozen/vinega...	897.63	2.25%
2011	470321	Chem wood pulp, soda or sulphate, conifer, bleache...	854.44	2.14%
2011	470200	Chemical wood pulp, dissolving grades	853.49	2.14%
2011	470329	Chem wood pulp, soda/sulphate, non-conifer, bleach...	762.58	1.91%
2011	120991	Seed, vegetable, nes for sowing	706.39	1.77%
2011	Others		18,732.30	46.95%
<b>2011</b>	<b>Total</b>		<b>39,900.87</b>	<b>100.00%</b>
2012	100630	Rice, semi-milled or wholly milled	5,660.35	12.89%
2012	300490	Medicaments nes, in dosage	3,107.85	7.08%
2012	390410	Polyvinyl chloride in primary forms	2,930.07	6.67%
2012	870333	Automobiles, diesel engine of >2500 cc	2,635.69	6.00%
2012	200520	Potatoes, prepared or preserved, not frozen/vinega...	2,174.17	4.95%
2012	151529	Maize oil, fractions, refined not chemically modif...	1,695.81	3.86%
2012	901890	Instruments, appliances for medical, etc science, ...	1,279.06	2.91%
2012	870421	Diesel powered trucks weighing < 5 tonnes	1,099.09	2.50%
2012	870324	Automobiles, spark ignition engine of >3000 cc	1,008.04	2.30%
2012	470321	Chem wood pulp, soda or sulphate, conifer, bleache...	984.30	2.24%
2012	870190	Wheeled tractors nes	923.86	2.10%
2012	180631	Chocolate, cocoa preps, block, slab, bar, filled, ...	687.03	1.56%
2012	120991	Seed, vegetable, nes for sowing	575.98	1.31%
2012	870323	Automobiles, spark ignition engine of 1500-3000 cc	551.56	1.26%
2012	382200	Composite diagnostic or laboratory reagents, nes	514.25	1.17%
2012	Others		18,072.79	41.17%
<b>2012</b>	<b>Total</b>		<b>43,899.90</b>	<b>100.00%</b>
2013	100630	Rice, semi-milled or wholly milled	7,976.48	18.81%
2013	300490	Medicaments nes, in dosage	4,148.15	9.78%
2013	390410	Polyvinyl chloride in primary forms	3,314.38	7.82%
2013	200520	Potatoes, prepared or preserved, not frozen/vinega...	2,191.16	5.17%
2013	870190	Wheeled tractors nes	1,271.78	3.00%
2013	151529	Maize oil, fractions, refined not chemically modif...	973.83	2.30%
2013	901890	Instruments, appliances for medical, etc science, ...	874.22	2.06%
2013	120991	Seed, vegetable, nes for sowing	872.95	2.06%
2013	210690	Food preparations nes	820.21	1.93%
2013	847130	Portable digital data pr	676.24	1.60%
2013	390720	Polyethers nes, in primary forms	669.17	1.58%
2013	870422	Diesel powered trucks weighing 5-20 tonnes	653.20	1.54%

2013	180631	Chocolate, cocoa preps, block, slab, bar, filled, ...	536.70	1.27%
2013	271000	Petroleum oils&oils obta	474.27	1.12%
2013	870333	Automobiles, diesel engine of >2500 cc	457.10	1.08%
2013	Others		16,487.23	38.89%
<b>2013</b>	<b>Total</b>		<b>42,397.06</b>	<b>100.00%</b>
<b>Total imported value 2007-2013</b>			<b>270,237.25</b>	

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