



Foreign &
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Office

King Charles Street
London SW1A 2AH

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Tareq Shrourou (Director) and Claire Jeffery
Lawyers for Palestinian Human Rights
c/o Mansfield Chambers
14 Gray's Inn Road
London
WC1X 8HN

Thank you for your letter of 21 February to the Foreign Secretary about Israel and the Occupied Palestinian Territories (OPTs). I am replying as Minister responsible for our relations with the Middle East.

The UK's position on settlements is clear. They are illegal under international law, present an obstacle to peace and take us further away from a two-state solution. That is why we supported UN Security Council Resolution 2334. We regularly raise our concerns on this issue and strongly urge the Government of Israel to reverse its policy of settlement expansion.

However, the conflict between the Israelis and Palestinians is deeply complex. Settlements are not the only obstacle to peace. As the Quartet set out in its July 2016 report, terrorism and incitement also undermine the prospects for a two-state solution.

In March 2016, the UK, along with all other EU Member States, abstained on the resolution at the UN Human Rights Council which called for the creation of a database of businesses that trade with settlements. We issued an explanation of vote stating that the establishment of the database would be an unhelpful step. Ultimately it is the decision of an individual or company whether to operate in settlements in the OPTs. The British Government neither encourages nor offers support to such activity. The Government is considering its voting position at the forthcoming UN Human Rights Council carefully. As always we will work to ensure our approach is balanced, fair, and in line with the facts on the ground,

We also understand the concerns of people who do not wish to purchase goods exported from Israeli settlements in the OPTs. The UK introduced voluntary guidelines in December 2009 to enable produce from Israeli settlements and Palestinian producers in the OPTs to be specifically labelled as such, and we supported the extension of this approach by the EU through its adoption in November 2015 of an interpretative notice on the indication of origin of goods in from the territories occupied by Israel since June 1967.

It remains the common position of EU Member States that development of relations between the EU and the parties should depend on progress towards peace. UK economic and trade relations with Israel and the OPTs are currently governed by the 1995 Association Agreement with Israel and the 1997 Interim Association Agreement on trade and cooperation with the Palestine Liberation Organization, which differentiate between Green Line Israel and settlements in the West Bank. We routinely update our guidance to British businesses on the Overseas Business Risk website. Our guidance about Israel was last refreshed in September 2016. We advise British businesses to bear in mind the British Government's view on the illegality of settlements under international law when considering their investments and activities in the region. When approached by businesses, we set out the UK's clear position on Israeli settlements and share with them our online guidance. This is voluntary guidance to British businesses on doing business in Israel and the OPTs.

The British Government is committed to making progress towards a two-state solution. We believe that negotiations will only succeed when they are conducted between the two parties, supported by the international community. We continue to press the parties on the need to refrain from actions which make peace more difficult. Settlement construction is a significant barrier to achieving this goal, as are terrorism, incitement to violence and the refusal by some to acknowledge Israel's right to exist. We do not underestimate the challenges but if both parties show bold leadership, peace is possible. The UK is ready to do all it can to support this goal.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'T. Ellwood', with a large, sweeping flourish extending to the right.

TOBIAS ELLWOOD MP
Parliamentary Under Secretary of State