

GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED

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TEMPORARY IMPORT SURCHARGE APPLIED BY ISRAEL¹

The following communication, dated 11 December 1973, has been received from the Permanent Mission of Israel.

In the light of the present economic and political situation and with a view to financing the new large budgetary expenses and to slowing down the accelerated increase in imports, the Government of Israel has taken a series of emergency measures, one of which was the increase in the rate of the present import surcharge.

The rate of the surcharge has been increased from 20 per cent to 25 per cent, on the c.i.f. value of the goods imported.

The order imposing the surcharge, issued by the Minister of Finance, specifies that a 25 per cent surcharge will be applied on every article imported into Israel with a small list of exceptions which mainly include vital foodstuffs, fuel, ships, aircraft and their spare parts. Other exceptions are principally due to humanitarian considerations or linked with international conventions, (the extent of the surcharge has already been notified to the contracting parties on 25 February 1971.² No changes have taken place in the list of exceptions).

The import surcharge is levied in a manner consistent with the provisions of Article I of GATT and the process of liberalization of imports has not been affected.

The increase in the import surcharge entered into effect on 5 November 1973 and will remain in force till 31 March 1974. Prior to this date, a decision will be taken regarding its phasing out, in the light of balance-of-payments developments.

We would like to suggest that questions regarding the increase in the surcharge be examined during Israel's consultation in the Balance-of-Payments Committee which is expected to take place early in 1974.

¹See also L/3433 and Add.1.

²See BOP/114 and Add.2