

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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ISRAEL - REINTRODUCTION OF IMPORT DEPOSIT SCHEME

In a letter dated 30 May 1974, the Permanent Mission of Israel has communicated the following information.

On instructions of my authorities, I have the honour to inform you of the following:

1. As of 24 May 1974 the Government of Israel has reintroduced a temporary import deposit scheme.¹ This scheme covers all imported goods bearing duties of 35 per cent and over (10 per cent duty plus 25 per cent import surcharge). In order to release goods from the customs, importers will have to deposit with the Treasury in Israeli currency and for a period of twelve months 20 per cent of the value of the imported goods. The only exceptions allowed relate to shipments for which the customs value does not exceed I£ 5,000, goods imported for personal use including by immigrants and residents, goods imported by the Government and goods imported for re-export.
2. This measure became necessary because of an unexpected rise in imports, an increase in the domestic rate of inflation, and the resulting deterioration in the balance of payments. The foreign trade figures for the period January-April 1974 show that the growth rate of visible imports is double the rate originally forecast at the beginning of the year and then reported to the GATT Committee on Balance of Payments.
3. The import deposit scheme will be phased out as soon as the balance-of-payments situation improves.

¹ An import deposit requirement had been introduced originally on 11 January 1970, and removed for a period of one month on 27 November 1973, and then completely phased out on 27 December 1973. (See BOP/103 and L/3987)

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It should be recalled that Israeli import deposit requirements have been examined twice by the Balance-of-Payments Committee (BOP/R/43 and BOP/R/54). The delegation of Israel is, of course, prepared to bring the matter for consideration in the same Committee.

I would much appreciate if the above information be circulated to the contracting parties.