

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

BOP/R/215

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Committee on Balance-of-Payments Restrictions

REPORT ON THE CONCLUSION OF THE 1993 CONSULTATION WITH ISRAEL

1. The Committee met on 20 June 1994 to conclude the 1993 consultation with Israel. The meeting was held under the Chairmanship of Mr. P. Witt (Germany).
2. The representative of Israel recalled that the Committee had urged Israel to establish a timetable for the phasing out of its restrictions maintained on agricultural products under the balance-of-payments provisions of the GATT (BOP/R/210) and had decided, in this context, to review the evolution of Israel's balance-of-payments situation (BOP/R/213). He informed the Committee that, in 1993, there had been a considerable increase in the current account deficit. Exports of goods and services increased to US\$22.8 billion from US\$21.4 billion in 1992, while imports rose to US\$31 billion from US\$28.1 billion in 1992. The current account deficit increased by 21.7 per cent, from US\$6.6 billion to US\$8.1 billion.
3. In April 1994, Israel signed an Economic Agreement with the P.L.O which provided for unlimited free circulation of industrial and agricultural goods between the two parties, with the only exception of six agricultural products for which quotas would be increased annually until their total elimination in 1998.
4. Despite these developments, Israel had decided to eliminate all remaining import restrictions maintained for balance-of-payments reasons by 1 September 1995. This would allow only a minimal period for Israeli agriculture to adapt to the new situation.
5. In the light of the timetable for the elimination of import restrictions, the representative of Israel asked the Committee to discharge Israel from its obligation to consult with the Committee under the balance-of-payments provisions of the GATT.
6. The Committee commended Israel for the decision to eliminate remaining restrictions maintained for balance-of-payments purposes. It agreed that, if Israel eliminated the restrictions in the timeframe announced, there would be no need for a further meeting of the Committee in autumn 1995. The Committee looked forward to Israel's disinvocation of the balance-of-payments provisions of the GATT.
7. In the light of the announcement made by Israel, the 1993 consultation with Israel was considered as concluded.