

GENERAL AGREEMENT ON TARIFFS AND TRADE

ISRAEL - IMPORT DEPOSIT

The following communication, dated 28th February 1985, has been received from the Permanent Mission of Israel.

With reference to our notification of 5th October 1984 (L/5697), I have the honour to inform you that the temporary import restrictions on certain luxury type goods introduced on 3rd October 1984 have been abolished as of 5th February 1985, and have been replaced by a special import deposit.

This special import deposit has been fixed at the rate of 60 per cent ad valorem, to be reduced by 3 percentage points on the first of every month, beginning on 1st March 1985 and until 1st February 1986. The special import deposit will be collected in the same manner as the general import deposit (L/5506) and will be reimbursed after a one year period.

The list of goods subject to the special import deposit is the same as the list of goods affected by the temporary import restrictions (L/5697/Add.1), with the exception of items 25.15 (marble, etc.), 25.16 (granite, etc.) and 68.02.9900 (worked monumental or building stone), which are now only subject to the general import deposit scheme.

In view of administrative difficulties and in keeping with their temporary character, the import restrictions were abolished two months earlier than scheduled (2nd April 1985). In this context, it will be recalled that these restrictions were introduced as part of an overall economic program, which is being carried in stages and which is designed to restore the equilibrium of the economy of Israel. Their abolition coincides with entry into force of the "Agreement to Stabilize the Economy" (Package Deal II).

Israel continues to be faced with serious balance-of-payments problems and a sharp decline in its foreign currency reserves which necessitate the retention of restrictive import measures. These are being applied in a degressive manner, known in advance, thus encouraging the public to postpone the purchase of such items, and thereby relieving pressure on the balance-of-payments.

It should be pointed out, however, that the replacement of the total import prohibition by a special import deposit will permit continued imports of luxury type goods, despite the serious economic problem which Israel encounters at present. In taking this action, Israel has followed the recommendations in paragraph 1 of the Declaration on Trade Measures taken for Balance-of-Payments Purposes, adopted by the CONTRACTING PARTIES on 28th November 1979.