

GENERAL AGREEMENT ON  
TARIFFS AND TRADE

RESTRICTED

L/4639

3 March 1978

Limited Distribution

Original: English

SCHEDULE XLII - ISRAEL

Adjustment of Specific Duties

The following communication has been received from the Permanent Mission of Israel.

On 10 November 1974 the Government of Israel reduced the par value of the Israeli pound to I£ 6.00 per US\$1.00.

Following that devaluation the Council, at its meeting on 7 February 1975 approved a request made by Israel under Article 11:6(a) of the General Agreement (L/4134) to adjust the specific duties contained in Schedule XLII accordingly.

Since that date the value of the Israeli pound has been reduced a number of times under a policy of frequent small depreciations with respect to a composite of currencies. On 28 October 1977 the Government of Israel decided to cease to determine the rate of exchange for the Israeli pound and as of that date Israel maintains a floating exchange rate system.

On 2 November 1977 the International Monetary Fund noted the new exchange arrangements and welcomed the comprehensive liberalization of the exchange system.

On 28 February 1978 the representative rate of exchange communicated by the Bank of Israel was I£ 16.2668 per US\$1.00. In view of the fact that this represents a reduction in the value of the Israeli pound of more than 20 per centum, as compared with the value at the time the Council agreed to the adjustment of the specific duties, Israel seeks once again the concurrence of the Contracting Parties to adjust the specific duties in Schedule XLII in order to take account of the reductions in the value of the Israel pound since 10 November 1974.

At the meeting of the Council of 11 November 1977 Israel already gave notice of its intention to seek the concurrence of the CONTRACTING PARTIES to such a step. On that occasion the representative of Israel provided the Council with details of Israel's new economic policy and in particular on its foreign exchange régime.

It now requests that the adjustment of its specific duties be considered by the Council in accordance with the principles of Article 11:6(a). It stands ready to provide to the CONTRACTING PARTIES any additional information which might be relevant.

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