

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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ISRAEL - IMPORT SURCHARGE

The following communication, dated 11 April 1983, has been received from the Permanent Mission of Israel.

Further to our communication of 23 August 1982 (L/5361), I have the honour to transmit to you the following notification:

On 15 June 1982, the Government of Israel introduced a series of economic measures designed to reduce the balance-of-payments deficit and to curb inflation. These measures included, inter alia, an import surcharge in the form of a temporary three per cent ad valorem additional duty on all imports.

In accordance with paragraph 4 of the Declaration on Trade Measures taken for Balance-of-Payments Purposes, adopted on 28 November 1979, Israel consulted with the CONTRACTING PARTIES on this import surcharge within the framework of its 1982 Balance-of-Payments Consultation.

It had been the hope of the Government of Israel to eliminate the import surcharge by 31 March 1983. However, the expected improvement in the balance of payments has only been partially realized. In particular, the balance of trade continues to show an unfavourable trend: during the first three months of 1983 the trade deficit increased by 27 per cent as compared to the same period of 1982 - from 606 million US dollars to 770 million US dollars.

Under these circumstances, it has been decided to continue the collection of the temporary additional duty but to reduce its rate, as of 7 April 1983, from three per cent to two per cent ad valorem.