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Working Party on State Trading Enterprises

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STATE TRADINGNEW AND FULL NOTIFICATION PURSUANT TO ARTICLE XVII:4(A) OF THE
GATT 1994 AND PARAGRAPH 1 OF THE UNDERSTANDING ON
THE INTERPRETATION OF ARTICLE XVII

ISRAEL

The following communication, dated and received on 6 September 2022, is being circulated at the request of the delegation of Israel.

Pursuant to Article XVII:4(a) of the GATT 1994 and paragraph 1 of the Understanding on the Interpretation of Article XVII of the GATT 1994, and in response to the call for notifications contained in document G/STR/N/19, Israel makes the following notification for the years 2020-2021.

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ISRAEL GROUNDNUTS PRODUCTION AND MARKETING BOARD (IGPMB)

I. ENUMERATION OF STATE TRADING ENTERPRISES

A. Identification of state trading enterprises.

Israel Groundnuts Production and Marketing Board (IGPMB)

B. Description of products affected (including tariff item number(s) encompassed in product description.

Groundnuts (12024100).

II. REASON AND PURPOSE

A. Reason or purpose for establishing and/or maintaining state trading enterprise.

By law this Board is the sole exporter of groundnuts from Israel. This has not changed since its establishment in 1959.

B. Summary of legal basis for granting the relevant exclusive or special rights or privileges, including legal provisions and summary of statutory or constitutional powers.

All activities of the IGPMB are based on the Groundnuts Production and Marketing Council Rules (Groundnuts Exportation) of 1963.

III. DESCRIPTION OF THE FUNCTIONING OF THE STATE TRADING ENTERPRISE

A. Summary statement providing overview of operations of the state trading enterprise.

The Council targets, as stated in the Groundnuts Production and Marketing Council Law of 1959 are: to encourage the development of groundnut production, to plan cultivations, to concentrate marketing tasks and to provide with counselling measures for the ministers.

B. Specification of exclusive or special rights or privileges enjoyed by the state trading enterprise.

Groundnuts Production and Marketing Council Rules (Groundnuts Exportations) of 1963 entitles the IGPMB the exclusive right to export groundnuts from Israel.

C. Type of entities other than the state trading enterprise that are allowed to engage in importation/exportation and conditions for participation.

No other entity is allowed to engage in exportation. Any importer is allowed to engage in importation.

D. How import/export levels are established by the state trading enterprise.

In terms of export levels, the production level is determined according to demand estimations. Furthermore, the STE is not involved in import activities.

E. How export prices are determined.

Export prices are determined in accordance to input prices, market demand, and exchange rates.

F. How the resale prices of imported products are determined.

According to market demand. Not related to the STE's activities.

G. Whether long-term contracts are negotiated by the state trading enterprise. Whether the state trading enterprise is used to fulfil contractual obligations entered into by the government.

The STE negotiates contracts for 3 to 5 years.

H. Brief description of market structure.

The STE exports to roasting plants and signs contracts with them. The STE does not market directly to consumers.

IV. STATISTICAL INFORMATION (SEE ATTACHED TABLES I - III)

V. REASON WHY NO FOREIGN TRADE HAS TAKEN PLACE (AS APPROPRIATE)

VI. ADDITIONAL INFORMATION (AS APPROPRIATE)

TABLE I

STATE TRADING: ISRAEL GROUNDNUTS PRODUCTION AND MARKETING BOARD

STATISTICAL INFORMATION, IMPORTS

Year	Description of product(s) (including HS number(s))	Total quantity imported	Quantity imported by state trading enterprise	Average import price	Average representative domestic sales price	Mark-up	National production
	1	2	3	4	5	6	7
2020							
2021							

TABLE II

STATE TRADING: ISRAEL GROUNDNUTS PRODUCTION AND MARKETING BOARD

STATISTICAL INFORMATION, EXPORTS

Year	Description of product(s) (including HS number(s))	Total quantity exported (MT)	Quantity exported by state trading enterprise (MT)	Average procurement price	Average representative domestic sales price	Average export price (C+F USD/MT)	National production (MT)
	1	2	3	4	5	6	7
2020	Groundnuts, 12024100	7,483	7,483			3,240	14,555
2021	Groundnuts, 12024100	7,959	7,959			3,148	16,500

MT: metric tonnes

C+F: cost and freight

TABLE III

STATE TRADING: ISRAEL GROUNDNUTS PRODUCTION AND MARKETING BOARD

STATISTICAL INFORMATION, DOMESTIC ACTIVITIES

Year	Description of product(s) (including HS number(s))	Domestic purchases by state trading enterprise	National production	Domestic sales by state trading enterprise	National consumption
	1	2	3	4	5
2020					
2021					

THE EGG AND POULTRY BOARD (THE BOARD)

I. ENUMERATION OF STATE TRADING ENTERPRISES

A. Identification of state trading enterprises.

The Egg and Poultry Board (the Board).

B. Description of products affected (including tariff item number(s) encompassed in product description).

Poultry meat (0207), eggs 0407.

II. REASON AND PURPOSE

A. Reason or purpose for establishing and/or maintaining state trading enterprise.

The Board acts by power of law. Its members represent all those elements operating in the various fields of poultry raising – poultry coops, marketers, consumers, industry and government offices.

The following are the primary fields of the Board's activity: Production and Marketing, Table Eggs, Broilers, Advertising and Sales Promotion, Research, and Poultry Health.

B. Summary of legal basis for granting the relevant exclusive or special rights or privileges, including legal provisions and summary of statutory or constitutional powers.

The 1963 Egg and Poultry Board Law grants the Board the right to regulate egg and poultry exportation.

III. DESCRIPTION OF THE FUNCTIONING OF THE STATE TRADING ENTERPRISE

A. Summary statement providing overview of operations of the state trading enterprise.

The Board regulates egg and poultry exportations. It is not actively engaged in export, but rather grants licenses to private exporting entities.

The following are the primary fields of the Board's activity: Production and Marketing, Table Eggs, Broilers, Advertising and Sales Promotion, Research, and Poultry Health.

B. Specification of exclusive or special rights or privileges enjoyed by the state trading enterprise.

No exclusive or special rights or privileges are exercised by the Board.

C. Type of entities other than the state trading enterprise that are allowed to engage in importation/exportation and conditions for participation.

Any private importer/exporter.

D. How import/export levels are established by the state trading enterprise.

By free market conditions.

E. How export prices are determined.

By free market conditions.

F. How the resale prices of imported products are determined.

By free market conditions.

G. Whether long-term contracts are negotiated by the state trading enterprise. Whether the state trading enterprise is used to fulfil contractual obligations entered into by the government.

The Board does not negotiate long-term contracts.

H. Brief description of market structure.

Israel is a net importer of eggs, imported by most egg marketers as well as some industrial producers. Poultry is exported mainly to the Kosher market, and the number of exporters is limited due to market conditions.

IV. STATISTICAL INFORMATION (SEE ATTACHED TABLES I - III)

The Board is not actively engaged in export, but rather grants licenses to private exporting entities and therefore we have not provided statistical information.

V. REASON WHY NO FOREIGN TRADE HAS TAKEN PLACE (AS APPROPRIATE)

VI. ADDITIONAL INFORMATION (AS APPROPRIATE)

TABLE I

STATE TRADING: THE EGG AND POULTRY BOARD

STATISTICAL INFORMATION, IMPORTS

Year	Description of product(s) (including HS number(s))	Total quantity imported	Quantity imported by state trading enterprise	Average import price	Average representative domestic sales price	Mark-up	National production
	1	2	3	4	5	6	7
2020							
2021							

TABLE II

STATE TRADING: THE EGG AND POULTRY BOARD

STATISTICAL INFORMATION, EXPORTS

Year	Description of product(s) (including HS number(s))	Total quantity exported	Quantity exported by state trading enterprise	Average procurement price	Average representative domestic sales price	Average export price	National production
	1	2	3	4	5	6	7
2020							
2021							

TABLE III

STATE TRADING: THE EGG AND POULTRY BOARD

STATISTICAL INFORMATION, DOMESTIC ACTIVITIES

Year	Description of product(s) (including HS number(s))	Domestic purchases by state trading enterprise	National production	Domestic sales by state trading enterprise	National consumption
	1	2	3	4	5
2020					
2021					

THE PLANTS PRODUCTION AND MARKETING BOARD

I. ENUMERATION OF STATE TRADING ENTERPRISES

A. Identification of state trading enterprises.

The Plant Production and Marketing Board

B. Description of products affected (including tariff item number(s) encompassed in product description).

Fresh vegetables (0701 – 0709), fruits (0801 – 0810), olive oil (1509).

II. REASON AND PURPOSE

A. Reason or purpose for establishing and/or maintaining state trading enterprise.

The Plants Production and Marketing Board was established in 2004 with the aim to reduce the number of statutory agricultural marketing boards. It replaced the Vegetable Board, the Fruit Board, the Citrus Board, the Flower Board, and at a later stage, the Olive Oil Board.

B. Summary of legal basis for granting the relevant exclusive or special rights or privileges, including legal provisions and summary of statutory or constitutional powers.

The 1973 Plants Production and Marketing Board Law was the basis for the establishment of this Board, while the 2003 and 2007 amendments established its current structure and statutory powers.

III. DESCRIPTION OF THE FUNCTIONING OF THE STATE TRADING ENTERPRISE

A. Summary statement providing overview of operations of the state trading enterprise.

The Plants Production and Marketing Board is not actively engaged in export, but rather grants licenses to private exporting entities.

B. Specification of exclusive or special rights or privileges enjoyed by the state trading enterprise.

No exclusive or special rights or privileges are exercised by the Board.

C. Type of entities other than the state trading enterprise that are allowed to engage in importation/exportation and conditions for participation.

Any private importer/exporter.

D. How import/export levels are established by the state trading enterprise.

By free market conditions.

E. How export prices are determined.

By free market conditions.

F. How the resale prices of imported products are determined.

By free market conditions.

G. Whether long-term contracts are negotiated by the state trading enterprise. Whether the state trading enterprise is used to fulfil contractual obligations entered into by the government.

The Board does not negotiate long-term contracts.

H. Brief description of market structure.

There are numerous importers and exporters of fresh fruits and vegetables. Importation is not limited in any form and exportation licenses are granted to any exporter that fulfils the demands of the export laws and regulations.

IV. STATISTICAL INFORMATION (SEE ATTACHED TABLES I - III)

The Board is not actively engaged in export, but rather grants licenses to private exporting entities and therefore we have not provided statistical information.

V. REASON WHY NO FOREIGN TRADE HAS TAKEN PLACE (AS APPROPRIATE)

VI. ADDITIONAL INFORMATION (AS APPROPRIATE)

TABLE I

STATE TRADING: THE PLANTS PRODUCTION AND MARKETING BOARD

STATISTICAL INFORMATION, IMPORTS

Year	Description of product(s) (including HS number(s))	Total quantity imported	Quantity imported by state trading enterprise	Average import price	Average representative domestic sales price	Mark-up	National production
	1	2	3	4	5	6	7
2020							
2021							

TABLE II

STATE TRADING: THE PLANTS PRODUCTION AND MARKETING BOARD

STATISTICAL INFORMATION, EXPORTS

Year	Description of product(s) (including HS number(s))	Total quantity exported	Quantity exported by state trading enterprise	Average procurement price	Average representative domestic sales price	Average export price	National production
	1	2	3	4	5	6	7
2020							
2021							

TABLE III

STATE TRADING: THE PLANTS PRODUCTION AND MARKETING BOARD

STATISTICAL INFORMATION, DOMESTIC ACTIVITIES

Year	Description of product(s) (including HS number(s))	Domestic purchases by state trading enterprise	National production	Domestic sales by state trading enterprise	National consumption
	1	2	3	4	5
2020					
2021					