STATE-TRADING ENTERPRISES

Notifications pursuant to Article XVII:4(a) in reply to the New Questionnaire contained in Document L/1014 of 3 July 1959

ISRAEL

I. Enumeration of State-Trading Enterprises

Two types of state-trading enterprises are in operation: The Food Import Division of the Ministry of Commerce and Industry (hereinafter referred to as "Food Import Division") and a number of agricultural marketing boards:

A. Food Import Division

The Food Import Division serves as the sole importer of a number of essential staple foodstuffs, of oil seeds and of fodder grains.

B. The Citrus Marketing Board

The Citrus Marketing Board acts as sole exporter of the citrus crop and handles all imports of packing materials for citrus fruit.

C. The Groundnut Production and Marketing Board

Locally grown groundnuts (destined mainly for direct consumption) are exported through the media of the Groundnut Production and Marketing Board. (The import of groundnuts, destined for the extraction of oil, is handled by the Food Import Division.)

D. The Vegetable Production and Marketing Board

The Vegetable Production and Marketing Board acts as sole exporter of vegetables grown in Israel.

1 An alphabetical list of the notifications received from Governments is reproduced in addenda to document L/1014 see Appendix page
II. Reason and purpose for the introduction and maintaining of state-trading enterprises

A. The Food Import Division handles import of essential staple foodstuffs etc., in order (i) to ensure at all times the availability of sufficient stocks in the country, (ii) to ensure a stable level of prices of essential consumer goods, (iii) to prevent prices to consumer from exceeding certain limits and (iv) to take advantage of foreign agricultural surplus disposal schemes.

The Food Import Division acts on the basis of powers vested in the Ministry of Commerce and Industry by the Licensing of Imports Order, 1940. The Annual Budget Laws make provisions for the funds required to cover the activities of the Division.

B. The purposes for the operation of the Citrus Marketing Boards are (i) to ensure orderly marketing of the export crop, (ii) to ensure adequate supplies of citrus packing materials and (iii) to stabilize prices on the home market.

The Statutory basis for its establishment and operation are contained in the Citrus Marketing Ordinance, 1947.

C & D. The purposes of the Groundnut Production and Marketing Board and of the Vegetable Production and Marketing Board are (i) to ensure orderly marketing of the export crop and (ii) to stabilize prices on the home market. The two boards derive their powers from legislation passed in 1959.

III. Description of the Function of the State-Trading Enterprises

A. Except for insignificant barter transactions (exchange of soft wheat for locally grown hard wheat) the Food Import Division deals exclusively with imports. Products handled by the Food Import Division are not licensed for import by private traders.

The quantities imported are determined with a view to ensure sufficient stocks and ample supplies to meet local demands at all times.

There is no mark-up on imported products. As a result of its policy to ensure a stable level of prices and to prevent prices from exceeding certain limits, the proceeds of sales do not cover the cost of purchase. During the last three years budgetary funds, exceeding on the average £6. 7 million per annum, have been made available to cover the difference.

Resale prices of imported products are generally lower than prices of similar domestic products.
The Food Import Division does not negotiate long term contracts. It carries out contractual obligations of the Government under agricultural surplus disposal agreements.

B. The Citrus Marketing Board handles all exports of fresh citrus fruit and imports of packing materials required for that purpose.

Private traders are excluded from this trade.

The quantity of citrus fruit exported is determined solely by the demand in the overseas market.

The quantity of packing materials imported are determined by the requirements of the industry and export forecasts.

Export prices are determined by market forces overseas. There is no mark-up on imported packing material as the Citrus Marketing Board is a non-profit making organization, and passes on to the growers the proceeds realized from exports less the price of imports.

The export prices of citrus fruit are generally higher than those for domestic consumption. No long-term contracts are negotiated by the Citrus Marketing Board, and it does not act as an instrument of the Government to fulfil contractual obligations entered into by the Government.

C & D. The functioning of the Groundnut Production and Marketing Board and the Vegetable Production and Marketing Board are similar to the functioning of the Citrus Marketing Board. However, they do not engage in the import of packing materials.

IV. Statistical Information

Statistical information for the last three available years on import, exports and national production of products handled by State-Trading Enterprises are included in the Annex.

V. The Reason why no Foreign Trade has taken Place in Products affected

Not applicable

VI. Additional Information

1. It is the declared policy of the Government to decrease and, if possible, to eliminate its import activities. In pursuance of this policy the scope of imports handled by the Food Import Division has already been
substantially reduced. Negotiations are at present being carried out with commercial interests for the complete transfer of the trading activities of the Food Import Division to private traders.

2. Plans for the establishment of additional statutory agricultural production and marketing boards (for fruit, cotton, eggs and poultry, milk and dairy products) are at present under consideration.
## ANNEX

**STATISTICAL INFORMATION ON IMPORTS, EXPORTS AND NATIONAL PRODUCTION OF PRODUCTS HANDLED CURRENTLY BY STATE-TRADING ENTERPRISES**

Note: Figures for Imports and Exports refer to the financial year (April–March), for National Production to the crop year (October–September). All quantities are expressed in tons.

### I. 1958/59

<table>
<thead>
<tr>
<th>Product</th>
<th>Total Imports</th>
<th>Imports by S.T.E.</th>
<th>Total Exports</th>
<th>Exports by S.T.E.</th>
<th>National Production</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wheat</td>
<td>274,701</td>
<td>259,397</td>
<td>11,050</td>
<td>11,050</td>
<td>73,700</td>
</tr>
<tr>
<td>Fodder grains</td>
<td>263,290</td>
<td>93,174</td>
<td>-</td>
<td>-</td>
<td>123,100</td>
</tr>
<tr>
<td>Sugar</td>
<td>60,466</td>
<td>53,153</td>
<td>-</td>
<td>-</td>
<td>22,645*</td>
</tr>
<tr>
<td>Frozen fish</td>
<td>5,435</td>
<td>3,883</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Frozen meat</td>
<td>10,516</td>
<td>10,401</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Meat preserves</td>
<td>1,278</td>
<td>950</td>
<td>-</td>
<td>-</td>
<td>n.a.*</td>
</tr>
<tr>
<td>Soya beans</td>
<td>120,000</td>
<td>117,546</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Sunflower seeds</td>
<td>3,505</td>
<td>3,462</td>
<td>-</td>
<td>-</td>
<td>2,400</td>
</tr>
<tr>
<td>Copra</td>
<td>8,138</td>
<td>8,138</td>
<td>5,979</td>
<td>5,979</td>
<td>15,300</td>
</tr>
<tr>
<td>Groundnuts</td>
<td>-</td>
<td>-</td>
<td>5,979</td>
<td>5,979</td>
<td>1,338*</td>
</tr>
<tr>
<td>Cottonseed oil</td>
<td>1,994</td>
<td>1,557</td>
<td>-</td>
<td>-</td>
<td>17,026*</td>
</tr>
<tr>
<td>Soya bean oil</td>
<td>3,300</td>
<td>2,680</td>
<td>1,064</td>
<td>376,000**</td>
<td>555,000</td>
</tr>
<tr>
<td>Citrus fruit</td>
<td>-</td>
<td>-</td>
<td>376,000**</td>
<td>376,000**</td>
<td>5,595</td>
</tr>
<tr>
<td>Citrus cases ('000 cases)</td>
<td>5,996</td>
<td>5,996</td>
<td>-</td>
<td>-</td>
<td>5,995</td>
</tr>
<tr>
<td>Citrus wrapping paper</td>
<td>2,847**</td>
<td>2,847**</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Vegetables</td>
<td>88</td>
<td>-</td>
<td>1,683</td>
<td>1,683</td>
<td>357,500</td>
</tr>
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</table>

*Calendar year

**Crop year
## II. 1957/58

<table>
<thead>
<tr>
<th>Product</th>
<th>Total Imports</th>
<th>Imports by S.T.E.</th>
<th>Total Exports</th>
<th>Exports by S.T.E.</th>
<th>National Production</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wheat</td>
<td>316,090</td>
<td>295,651</td>
<td>23,845</td>
<td>23,845</td>
<td>62,500</td>
</tr>
<tr>
<td>Fodder grains</td>
<td>163,700</td>
<td>88,404</td>
<td>-</td>
<td>-</td>
<td>117,300</td>
</tr>
<tr>
<td>Sugar</td>
<td>59,736</td>
<td>58,775</td>
<td>-</td>
<td>-</td>
<td>18,492*</td>
</tr>
<tr>
<td>Frozen fish</td>
<td>4,508</td>
<td>3,632</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Frozen meat</td>
<td>2,508</td>
<td>2,158</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Meat preserves</td>
<td>1,387</td>
<td>940</td>
<td>4</td>
<td>-</td>
<td>n.a.</td>
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<tr>
<td>Soya beans</td>
<td>91,110</td>
<td>91,106</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Sunflower seeds</td>
<td>1,048</td>
<td>1,006</td>
<td>-</td>
<td>-</td>
<td>1,500</td>
</tr>
<tr>
<td>Copra</td>
<td>14,729</td>
<td>12,177</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Groundnuts</td>
<td>1,582</td>
<td>1,564</td>
<td>3,874*</td>
<td>-</td>
<td>12,700</td>
</tr>
<tr>
<td>Cottonseed oil</td>
<td>2,218</td>
<td>1,981</td>
<td>-</td>
<td>-</td>
<td>1,868*</td>
</tr>
<tr>
<td>Soya bean oil</td>
<td>1,019</td>
<td>1,019</td>
<td>900*</td>
<td>-</td>
<td>10,810*</td>
</tr>
<tr>
<td>Citrus fruit</td>
<td>-</td>
<td>-</td>
<td>306,000**</td>
<td>306,000**</td>
<td>403,000</td>
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<tr>
<td>Citrus cases ('000 cases)</td>
<td>6,269**</td>
<td>6,269**</td>
<td>-</td>
<td>-</td>
<td>3,058</td>
</tr>
<tr>
<td>Citrus wrapping paper</td>
<td>2,292</td>
<td>2,292</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Vegetables</td>
<td>1,417</td>
<td>-</td>
<td>140</td>
<td>140</td>
<td>363,000</td>
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</tbody>
</table>

* Calendar year

** Crop year
<table>
<thead>
<tr>
<th>Product</th>
<th>Total Imports</th>
<th>Imports by S.T.E.</th>
<th>Total Exports</th>
<th>Exports by S.T.E.</th>
<th>National Production</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wheat</td>
<td>338,242</td>
<td>325,021</td>
<td>6,017</td>
<td>-</td>
<td>83,000</td>
</tr>
<tr>
<td>Fodder grains</td>
<td>127,027</td>
<td>56,899</td>
<td>-</td>
<td>-</td>
<td>151,500</td>
</tr>
<tr>
<td>Sugar</td>
<td>52,363</td>
<td>47,687</td>
<td>-</td>
<td>-</td>
<td>4,149*</td>
</tr>
<tr>
<td>Frozen fish</td>
<td>3,790</td>
<td>1,921</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Frozen meat</td>
<td>14,011</td>
<td>13,482</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Meat preserves</td>
<td>1,447</td>
<td>1,190</td>
<td>3</td>
<td>-</td>
<td>n.a.</td>
</tr>
<tr>
<td>Soya beans</td>
<td>55,959</td>
<td>55,959</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Sunflower seeds</td>
<td>1,037</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2,750</td>
</tr>
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<td>Copra</td>
<td>9,864</td>
<td>8,456</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Groundnuts</td>
<td>5,098</td>
<td>5,061</td>
<td>4,343*</td>
<td>-</td>
<td>17,900</td>
</tr>
<tr>
<td>Cottonseed oil</td>
<td>5,522</td>
<td>5,522</td>
<td>-</td>
<td>-</td>
<td>4,232*</td>
</tr>
<tr>
<td>Soya bean oil</td>
<td>100</td>
<td>-</td>
<td>1,064*</td>
<td>-</td>
<td>8,243</td>
</tr>
<tr>
<td>Citrus fruit</td>
<td>-</td>
<td>-</td>
<td>302,000*</td>
<td>302,000*</td>
<td>410,000</td>
</tr>
<tr>
<td>Citrus cases ('000 cases)</td>
<td>8,108**</td>
<td>8,108**</td>
<td>-</td>
<td>-</td>
<td>1,442</td>
</tr>
<tr>
<td>Citrus wrapping paper</td>
<td>2,292**</td>
<td>2,292**</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Vegetables</td>
<td>3,237</td>
<td>-</td>
<td>58</td>
<td>58</td>
<td>335,000</td>
</tr>
</tbody>
</table>

* Calendar year
** Crop year
APPENDIX

Alphabetical List of the Notifications received from Governments (reproduced as Addenda to Document L/1014)

The following notifications received from governments have been reproduced in addenda to document L/1014:

<table>
<thead>
<tr>
<th>Country</th>
<th>Addenda</th>
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<tr>
<td>Austria</td>
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<tr>
<td>Belgium</td>
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<tr>
<td>Brazil</td>
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<td>Ceylon</td>
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<td>Denmark</td>
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<td>Finland</td>
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<td>Ghana</td>
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<td>India</td>
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<td>Israel</td>
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<td>Japan</td>
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<td>Luxemburg</td>
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<tr>
<td>Malaya, Federation of</td>
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<td>Netherlands</td>
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<td>New Zealand</td>
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<td>Norway</td>
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<td>Rhodesia and Nyasaland,</td>
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<td>Federation of</td>
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<td>Sweden</td>
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<td>Turkey</td>
<td>&quot; 19</td>
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<tr>
<td>Union of South Africa</td>
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<tr>
<td>United Kingdom</td>
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<tr>
<td>United States</td>
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