

4 November 1960

Committee on Balance of Payments Restrictions

BILATERAL ARRANGEMENT BETWEEN FINLAND AND ISRAEL

The Chairman of the Committee has received the following communication from the head of the Finnish delegation:

"Referring to the statement made by the Finnish delegate at the meeting on 1 November 1960, I have the honour to inform you as follows:

"The payment arrangement between Israel and Finland, referred to on page 43 of the IMF document of 10 October 1960 relating to Israel, dates back to 1958. As was noted by the Israeli and Finnish delegations, it was not possible to balance the natural trade between the two countries within a strict bilateral payments agreement. That was why it was agreed between the two delegations that the bilateral swing credit at the end of 1958 was to be converted into transferable currencies to be paid within a short period. This procedure has been renewed for the years 1959 and 1960.

"This arrangement between the two central banks aims at a full convertibility of payments, which the Government of Finland anticipates to be effective from the beginning of the year 1961."