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0401

EBD/90/297

September 14, 1990

To: Members of the Executive Board
From: The Secretary
Subject: Israel - Exchange Arrangements

The Secretary has received the following memorandum dated September 13, 1990 from Mr. Posthumus:

Please inform the Executive Board of the following communication which I received on September 12, 1990, from my Israeli authorities.

1. The new base rate of the new Israeli sheqel (relative to the basket of currencies) will be 2.4077. This represents a 10 percent increase with respect to the previous base rate that was set at 2.1888 on February 28, 1990. As before, the representative rate of the sheqel can move around the base rate in a range of plus/minus 5 percent.
2. The above change is accompanied by a further reduction of 2 percentage points in the rate of net compensation granted to exporter via the exchange rate insurance scheme.

These exchange rate adjustments will be supported by a series of economic measures to be approved by the cabinet within the next few days.

Other Distribution:
Department Heads

