



STATE OF ISRAEL
MINISTRY OF FINANCE

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DEPARTMENT

May 10, 2010
2010-803

Press Release

The State of Israel Joins the OECD Today
Minister of Finance, Dr. Yuval Steinitz: Israel's accession to the OECD brings
great respect to the Israeli economy. Our accession was possible due to a
responsible and balanced economic policy"

OECD Secretary-General, **Angel Gurría**, announced today at noon that the Organization's Governing Council, representing member economies, chose Israel as a full member in the OECD. The decision was made unanimously by all 31 members.

Minister of Finance, **Dr. Yuval Steinitz**, accepted the announcement with great satisfaction and commented: "Israel's accession to this prestigious organization is possible due to a responsible and balanced economic policy, led by Israeli governments of past decades. This policy included the reduction of Israel's debt, monitoring of fiscal policy and the development of capital markets. Israel's accession to the OECD brings great honor to the Israeli economy, and fills our hearts with pride. However, although this important day is a time for celebration, we are only at the beginning of the way. Israel will be required to continue to demonstrate its economic strength and stability, and from today, also meet mandatory rules and standards."

The OECD (**O**rganization for **E**conomic **C**ooperation and **D**evelopment) is an international organization, uniting all countries with developed economies. OECD's mission is to enhance cooperation among members while meeting high international economic standards.

Minister of Finance, **Dr. Yuval Steinitz**, decided to make Israel's accession a top priority, in order to complete it as soon as possible, after years of negotiations between Israel and OECD executives. As a reminder, Minister Steinitz visited OECD headquarters in Paris in June 2009, and met with OECD Secretary-General, **Angel Gurría**, and his chief staff. These meetings led to an approved, enhanced and specified program for Israel's accession during the first half of 2010. Following this visit, OECD Secretary-General, **Angel Gurría**, visited Israel in January 2010, and announced his commitment to complete Israel's accession at the Israeli Social Economic Cabinet meeting.

Over the last three years, the Ministry of Finance has led a joint professional committee with other governmental ministries. In the committee's capacity, eighteen sub-teams have executed the professional examination in various working fields, with OECD committees' experts. All governmental ministries have taken part in these teams, including the Ministry of Foreign Affairs, Ministry of Industry, Trade and



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Labor, Bank of Israel, National Council for Economics, Israel securities authority, National Insurance, Israel Police, etc.

Latest OECD reports on the Israeli economy have specifically emphasized the importance of responsible fiscal policy, restriction of debts and reduction of Debt-to-GDP ratio. Also, the OECD recommends that Israel strengthens its "From Labor to Welfare" policy on employment, and supports the integration of citizens in the labor market as a solution for social and economic gaps. The Ministry of Finance aims to act according to these recommendations within the framework of the economic policy for the years 2011-2012.

Ministry of Finance Director General, **Mr. Haim Shani**, commented: "Israel's accession to the OECD reflects the trust that OECD members put on the Israeli economy and its strength. I believe our membership will promote Israel's society and economy, attract foreign investors and bring more energy to the development of the Israeli economy."

Implications derived from Israel's accession to the OECD:

1. International recognition of the quality of the Israeli governmental policy regarding regulation, corruption and property rights protection.
2. Attraction of foreign investors who rely on the "quality stamp" provided by the OECD.
3. OECD members are likely to have a positive influence on Israel's credit rating, which may reduce the costs of Israel's debt recruitment.
4. Israel will be required to meet OECD standards as an assisting tool for activities in the international markets (as in OECD double taxation avoidance agreement, adopting OECD laboratory's quality rules) and will become a full partner in the establishment of new international standards.
5. Israel will adopt a methodology of collecting data and performing statistical analysis as a mean for international comparisons and for taking political decisions.
6. Helping Israel to establish internal economic reforms by comparative learning of the 'Best Practices' of member countries in the organization. In addition, it will allow for the analyzing of social needs and establishing ways to decrease the inequality and social gaps.
7. Israel will implement reforms in the area of environmental protection. Israel committed to execute these reforms throughout several years, as part of its accession process. These reforms, dedicated to bridging gaps in the improvement of environmental quality and prevention of pollution of soil, water, air and sea, will improve the quality of life and the health of the citizens.

Minister of Finance, **Dr. Yuval Steinitz**, thanked all who took part in the success of Israel's accession to the OECD: his fellow ministers, public administration and OECD



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secretary personnel. Minister Steinitz also asked to especially thank the OECD Secretary-General and the OECD Legal Advisor, who promoted Israel's accession. Also, Minister Steinitz thanked the Governor of the Bank of Israel, **Prof. Stanley Fischer**, the inter-ministerial professional committee and its chairman, Head of the International Affairs Department in the Ministry of Finance, **Mr. Oded Brook**, and the diplomatic negotiation team headed by the Deputy Director General of the Economic Affairs Division at the Ministry of Foreign Affairs, **Ms. Irit Ben-Abba**.