



The Minister of Finance
Minister's Bureau International Affairs Dep.

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Press Release

The Knesset has approved through a significant majority the Minister of Finance's suggested bill for the implementation of a second biennial budget for the years 2011-2012

Yesterday, the Knesset approved through a significant majority of 63 vs. 32 the Minister of Finance Dr. Yuval Steinitz's suggested bill for a biennial budget for the years 2011-2012. Since last year's biennial budget was executed for only 18 months in practice, Israel will now become the first country in the world to implement a full biennial budget.

Minister Steinitz commented after the approval, that "the biennial budget has proved to be an important factor in growth, in economic stability and in financial resilience of the Israeli economy, while coping with the global crisis. I intend to make the biennial budget law a routine in Israel, since it was proved beyond any doubt that a single year budget is irrational, and lacks effectiveness."

Dr. Steinitz drew attention to the fact that "the biennial budget was praised by distinguished international organizations such as the Organization for Economic Cooperation and Development (OECD) and the International Monetary Fund (IMF).

The professional cadre at the Ministry of Finance asserts that the experience accumulated since the implementation of a biennial budget is very positive, and that government line ministries acknowledge its many advantages. Among the conspicuous advantages are: the planning capacity of the line ministries and the ability to hold strategic and long term discussions, better time management enabling the use of resources in identifying failures and removing barriers, and providing certainty in the management of national projects that interface with the private sector.