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GAIN Report

Global Agricultural Information Network

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The Government of Israel Advances Parallel Imports of Food Products

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Policy and Program Announcements

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Report Highlights:

On January 12, 2014, the Israeli Government approved the creation of a committee headed by Harel Locker, the Director General of the Prime Minister's Office, that will focus on bringing down food prices by advancing parallel imports of food products.

General Information:

In another move aimed at lowering the cost of living, the Israeli cabinet approved on January 12, 2014 a proposal to form a government team tasked with finding ways to lower food prices by increasing competition.

The new committee will be headed by Harel Locker, the Director General of the Prime Minister's Office. The group will explore ways to allow parallel imports of the same brands of food.

The vote came as ministers heard a report by the Finance Ministry's budget division, which found that 60 percent of the food retail market is controlled by two supermarket chains.

"This market is a classic cartel," said Prime Minister Benjamin Netanyahu. According to PM Netanyahu, this figure shows that there is no competition. "There is an unacceptable phenomenon of historic arrangements that are causing an increase in food prices and consumer exploitation," Prime Minister Binyamin Netanyahu said at the meeting. "Without opening up the markets to imports, there will not be a reduction in food prices."

The government has been taking up the cause of consumers amid growing evidence of the high cost of living in Israel, including a report last week by the Knesset Research and Information Center, which found that food prices in Israel are 25 percent higher than in the EU. The report estimates that food prices in Israel rose by 16 percent after inflation in the nine years through 2013, compared with just 1.8 percent in the EU.

Locker's committee will include Health Ministry Director General Ronni Gamzu, Economy Ministry Director General Amit Lang and Finance Ministry Budget Director Amir Levi.

The committee will explore ways to increase the number of food imports in Israel, both of new products and by encouraging multiple importers for the products already available in Israel.

Among the ways that may be achieved is by increasing the number of overseas food plants approved to export processed food to Israel by acknowledging quality-assurance certificates issued in the manufacturers' country of origin. That would do away with the need for certificates for each and every product.

This new concession may spur food imports from the United States, as many documents requested by the Israeli food import licensing authority do not exist in the U.S., while other documents typically generated that address food safety, have not been heretofore recognized by the Israeli licensing authority.