Israel joins OECD Declaration on International Investment and Multinational Enterprises

The government of Israel has accepted an invitation from OECD countries to adhere to the OECD Declaration on International Investment and Multinational Enterprises, marking their recognition of its general openness to foreign direct investment and liberal orientation of its economic policies.

The Declaration calls for treatment of foreign investors by host country governments no less favourable than that applied to domestic enterprises. It also promotes voluntary standards of business conduct under the framework of the OECD Guidelines for Multinational Enterprises.

Association with these OECD standards will reinforce the Israeli government’s efforts to pursue business-friendly economic reforms. As an adherent to the Declaration, Israel will share experiences with the 30 member countries of the OECD and with other adherents to the Declaration, at present including Argentina, Brazil, Chile, Estonia, Lithuania and Slovenia.

In recent years, Israel has moved from an agrarian economy to a technologically advanced and service-based economy, with gross domestic product per capita now estimated at 88 per cent of the OECD average. Regulatory reform and strong international commitments have created a generally enabling and non-discriminatory business environment. Foreign direct investment inflows have increased sharply with the rapid expansion of Israel’s high tech sector, reaching a cumulative total of US$21 billion by the end of 2001. Cumulative FDI outflows from Israel to other countries exceeded $8 billion at the end of last year.

A recent OECD Examination of Israel’s FDI policies encouraged the Israeli government to dismantle market access barriers and pursue the privatisation of the banking sector and other major companies. It also recommended the simplification of administrative procedures.

To obtain the report “OECD Investment Policy Review - Israel”, journalists are invited to contact the OECD’s Media Relations Division (news.contact@oecd.org). For more information on the Declaration, journalists are invited to contact Marie-France Houde, OECD’s Directorate for Financial, Fiscal and Enterprise Affairs (tel. [33] 1 45 24 91 26 or marie-france.houde@oecd.org).