

BANK OF ISRAEL

The Government and
the Finance Committee of the Knesset
Jerusalem

In accordance with Sections 59 and 60 of the Bank of Israel Law 5714-1954, I have the honor to submit herewith the Annual Report of the Bank of Israel for the year 1962.

The Report is based on material prepared by the Research Department of the Bank. The real analysis of developments in the economy, particularly in industry, was made, as in the previous year, with the aid of input-output tables prepared by the Bank. Most of the statistical material in Parts One and Two was supplied by the Central Bureau of Statistics, which made a special effort this year to advance the preparation of the data. Some of the calculations were made with the help of the electronic computer of the Ministry of Defense.

This Report places special emphasis on an analysis of economic developments in the wake of devaluation and the new economic policy for stabilizing the economy. Chapter II includes a comprehensive study of the replacement of imports by locally produced goods during the period 1958-62, and Chapter VI, a detailed study of price developments in 1962 following devaluation.

A statistical supplement, detailing the methods used to compute the most important data, will be published shortly.

Yours faithfully,



DAVID HOROWITZ
Governor
Bank of Israel

Jerusalem, 26 Iyar, 5723
May 20, 1963