



MINISTER OF FINANCE

Jerusalem, 8 August 2022

Ms. Lina M. Khan

Chair

Federal Trade Commission

Washington, D.C.

Dear Chairwoman Khan,

Over the past decade, price levels in Israel increased dramatically, among other things, due to official or exclusive importers who taking advantage of the lack of competition in the market. As a result, the Israeli government made significant strides in the past year to promote market competition by removing unnecessary and outdated import regulations and additional barriers that limit the activities of parallel importers. In light of this, I am writing to you as the Chair of the Federal Trade Commission, with the authority on matters relating to antitrust law and consumer protection, in respect to reports received from parallel importers wishing to import US-made products into the Israeli market.

Due to agreements between producers and official importers, these parallel importers face undue challenges in bringing consumer products into the Israeli market – both from the US and other countries. Additionally, Israeli importers have occasionally been subjected to unfair pricing and distribution practices by producers. These challenges have contributed to restrictions on competition in the Israeli market and have put the Israeli consumer at a disadvantage.

In order to preserve and encourage competition within our markets and to protect consumers from unfair pricing and distribution practices, I believe that we should build on our respective competition authorities' strong professional ties and further deepen cooperation and information sharing between them. Therefore, in light of our shared competition protection practices, I am proposing that we work together to ensure that parallel importers are treated fairly under both US

and Israeli regulatory frameworks and are able to operate free from undue and anticompetitive barriers.

It is also important that our competition authorities' work in lockstep to make sure that competition law is enforced upon importers and exporters from both jurisdictions in order for consumers in both Israel and the US to fully enjoy the fruits of free and fair competition. Finally, I believe that we could mutually benefit from an initiative to establish a multilateral framework governing competition between countries and trade blocks.

Needless to say, Israel holds its economic relationship with the United States to be of critical importance to our economy. It is therefore in the interest of both the US and Israel to protect this vital partnership by ensuring a level playing field for importers and consumers. I look forward to your kind response and to working together on this important matter.

Respectfully,



Avigdor Lieberman

Minister of Finance

CC:

H.E. **Janet Yellen**, US Secretary of the Treasury, United States Department of the Treasury Washington, D.C.

H.E. **Thomas R. Nides**, U.S. Ambassador to Israel

H.E. **Michael Herzog**, Israel Ambassador to the US

Ms. **Shira Greenberg** Chief Economist- Director of state Revenue, Research, and International Affairs - Israel
Ministry of Finance