

**General Assembly
Economic and Social Council**Distr.
GENERALA/43/432 -
E/1988/68
29 June 1988

ORIGINAL: ENGLISH

GENERAL ASSEMBLY
Forty-third session
Item 12 of the preliminary list
REPORT OF THE ECONOMIC AND
SOCIAL COUNCIL

ECONOMIC AND SOCIAL COUNCIL
Second regular session of 1988
PERMANENT SOVEREIGNTY OVER
NATIONAL RESOURCES IN THE
OCCUPIED PALESTINIAN AND
OTHER ARAB TERRITORIES

Israeli economic practices in the occupied Palestinian
and other Arab territories

Note by the Secretary-General

1. In its decision 40/432 of 17 December 1986 on the Israeli economic practices in the occupied Palestinian and other Arab occupied territories, the General Assembly requested the Secretary-General to report on the financial and trade practices of the Israeli occupation authorities in the Palestinian and other Arab occupied territories and to submit the report to the General Assembly at its forty-first session, through the Economic and Social Council. It also invited the Secretary-General to utilize the services of competent United Nations bodies in preparing that report.
2. On the basis of the Secretary-General's note (A/41/410-E/1986/97), the Economic and Social Council, in its decision 1986/155 of 15 July 1986, decided that the above-mentioned report should be examined by the General Assembly at its forty-second session through the Council at its second regular session in 1987.
3. In response to those mandates, the Economic and Social Commission for Western Asia (ESCWA), in collaboration with the United Nations Conference on Trade and Development (UNCTAD), prepared an in-depth study of the financial sector in the occupied Palestinian territories of the West Bank and Gaza Strip (UNCTAD/ST/SEU/3). The study was accordingly submitted in 1987 to the Economic and Social Council at its second regular session and the General Assembly at its forty-second session (A/42/341-E/1987/78). In its resolution 1987/87, the Economic and Social Council noted that that report covered only financial practices and requested the Secretary-General to implement General Assembly decision 40/432 in full and report thereon at its forty-third session, through the Economic and Social Council.

4. A second study, dealing with the trade sector of the occupied territories, is currently being undertaken by UNCTAD, in co-operation and co-ordination with ESCWA, as part of its 1988/89 work programme. The study examines various aspects of the external trade of the territories, including Israeli practices and other factors affecting its performance, the potential it provides for the economy, and the policy measures required to promote its role and enhance its contribution to the economic development of the occupied territories. It has not been possible to complete this study because of delay in obtaining data. It is expected to be completed in time to be reported to the thirty-fifth session (first part) of the Trade and Development Board in September 1988.

5. To complete the coverage of the already prepared in-depth study on the financial sector in the occupied territories, a report on Israeli financial practices in the occupied Golan Heights is currently under preparation. The report will serve as an input to the report on the financial practices of the Israeli occupation authorities in the occupied Palestinian and other Arab territories, as originally called for by the General Assembly in its decision 40/432. The report concerning the occupied Golan Heights examines Israeli financial policies and practices, the degree of integration of the Golan Heights into Israel's financial system, and policy measures to ameliorate existing conditions. The report is expected to be completed in the third quarter of 1988.