



Publications

Deputy Governor of the Bank of Israel Andrew Abir Addresses a Conference on the Bank's Corporate Bond Purchase Program

28/07/2020

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Monetary Committee Publications

Deputy Governor of the Bank of Israel Andrew Abir spoke this evening at a digital conference held by Tel Aviv University on the subject of the Bank of Israel's Corporate Bond Purchase Program. Following are selections from his address:

Speeches and Presentations

"We are in a once in a hundred years crisis, and therefore we are putting into operation a range of policy tools that are available to us, including precedent-setting and creative tools. In addition, we are acting in an immediate and determined manner to implement the policy decisions, as one of the components in the effectiveness of a policy tool is the principle of "reaching the market" from the moment the policy decision is reached (the TTM principle).

About the Spokesperson's Office

We carried out comprehensive staff work and held long discussions in the Monetary Committee before announcing the steps at the interest rate decision on July 6, 2020, including the corporate bond purchase program.

Legislation and Regulations

We decided on the program within the framework of the activities we are carrying out in order to ease the terms of credit in the economy. As such, the program is integrated with our other steps—reducing the interest rate, purchasing government bonds, the plan to increase the supply of credit to small businesses, which we decided to renew in view of the increased severity of the crisis, and in addition the corporate bond purchase program. These need to be seen as a range of steps, all of which are aimed at the same overall target.

One proof from the field of the effectiveness of the program is issuances of billions of shekels, particularly by nonfinancial companies, that were initiated in the days after our announcement, and essentially enabled companies to raise funds and thus continue keeping the economy's wheels moving.

We are constantly following market developments and economic activity and will adopt the policy measures in the areas within our responsibility, to the extent they will be necessary in the future."



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