

## **India – Israel Relations**

### **Political Relations**

On 17 September 1950, India announced recognition of Israel. Soon after India's recognition of Israel, the Jewish Agency established an immigration office in Bombay. This was converted into a Trade Office and later a Consulate. Following decision to establish diplomatic relations, Israel opened its Embassy in Delhi in February 1992 and India opened its Embassy in Tel Aviv on 15 May 1992. Since then relations have seen rapid growth across a broad spectrum.

### **Bilateral**

2012 marks the 20<sup>th</sup> anniversary of the establishment of full diplomatic relations between India and Israel. The relationship has thrived on the common bedrock of parliamentary democracy, Common Law structures, liberal system of education, knowledge of the English language and a history of British colonial rule. The relationship also benefitted from similar strengths in the knowledge industry and highly qualified scientific and technical manpower. The long and peaceful Jewish presence in India and presence of 70,000 Indian Jews in Israel further made things easier. India is a destination of choice for over 35,000 Israelis who visit India every year for tourism and business.

### **Bilateral Visits**

Since the establishment of Embassies, a large number of ministerial visits have taken place. The period since 1992 has been utilized to put in place the framework of normal state-to-state relations, including agreements and MOUs in diverse areas of cooperation. Important high level recent visits include the following:

#### **From Israel:**

- ❖ Minister of Agriculture and Rural Development Shalom Simhon (January 2008);
- ❖ Minister of Industry, Trade and Labour Binyamin Ben Eliezer (January 2010);
- ❖ Minister of Agriculture Orit Noked (May 2011);
- ❖ Minister of Tourism Stas Misezhnikov (September 2011);
- ❖ Minister of Internal Security Yitzhak Aharonovitch (October-November 2011);
- ❖ Minister of Finance Yuval Steinitz (December 2011);
- ❖ Minister of Energy & Water Resources, Uzi Landau (February 2012);

#### **From India:**

- ❖ Justice K G Balakrishnan, Chief Justice of India (December 2008);
- ❖ Chief Minister of Punjab, Parkash Singh Badal (November 2009)
- ❖ Chief Minister of Himachal Pradesh Prem Kumar Dhumal (November 2009);
- ❖ Minister of State for Commerce and Industry, Jyotiraditya Scindia (February 2010);
- ❖ Minister of State (I/C) Science & Technology Prithviraj Chavan (March 2010);
- ❖ Chief Minister of Haryana Mr. Bhupinder Singh Hooda (April 2011);
- ❖ Comptroller and Auditor General Vinod Rai ( May 2011);
- ❖ Minister of State for Communications and IT Mr. Sachin Pilot (June 2011)
- ❖ RBI Governor D. Subbarao (June 2011);
- ❖ Group of Indian MPs ( November 2011);
- ❖ External Affairs Minister Shri S.M. Krishna (January 2012)
- ❖ Minister of Urban Development Shri Kamalnath (February 2012)

### **Visit of External Affairs Minister Shri S.M. Krishna to Israel in 2012**

External Affairs Minister Shri S.M. Krishna visited Israel on January 9-10, 2012 against the backdrop of 20<sup>th</sup> anniversary of diplomatic relations between India and Israel. EAM met President Peres, Prime Minister Netanyahu, and the Ministers of Foreign Affairs and Finance. He reviewed bilateral cooperation, recent developments in South Asia and the Middle-East and charted out areas of cooperation for the future including in energy, trade, agriculture and human resource development. EAM and his counterpart signed an Extradition Treaty and an Agreement for Transfer of Sentenced Persons. He announced approval of Government of India for opening of a Consulate General of Israel in Bengaluru. EAM visited the Indian Hospice in Jerusalem and announced a special grant of US\$ 25,000 by the Government of India for setting up a Baba Farid Heritage Centre at the Indian Hospice.

### **Commercial and Economic Relations**

Since establishment of diplomatic relations in 1992, bilateral trade and economic relations have progressed rapidly. From a base of US\$ 200 million in 1992 (comprising primarily of diamonds), merchandise trade has diversified and reached US\$ 5.15 billion in 2011. In 2011, India was the 8<sup>th</sup> largest trade partner of Israel in the world, and 3<sup>rd</sup> largest trade partner in Asia following China and Hong Kong (trade data includes diamonds). Although bilateral trade increased in 2011, as compared to 2010, India's position among Israel's trading partners fell from sixth to eighth. India is the 11<sup>th</sup> largest import source of Israel including diamonds, and 16<sup>th</sup> largest import source excluding diamonds (in Jan-Dec 2011). India is the 5<sup>th</sup> largest export destination of Israel (including diamonds) and 7<sup>th</sup> largest excluding diamonds (Jan-Dec 2011).

India-Israel two-way trade in 2011 increased by 8.8% from US\$ 4.73 billion in January-December 2010 to US\$ 5.15 billion in January-December 2011. However balance of trade was in Israel's favor by US\$844 million. Although India's exports to Israel in areas other than diamonds increased over the years, diamonds continue to be an important segment at 56.4% of total bilateral trade in 2011 (US\$ 2.91 billion out of US\$ 5.153 billion).

Major exports from India to Israel include precious stones and metals, chemical products, textile and textile articles, plants and vegetable products, mineral products, rubber and plastic products, base metals and machinery.

Major exports from Israel to India include precious stones and metals, chemical and mineral products, base metals, machinery, and transport equipment

### **Free Trade Agreement**

A Free Trade Agreement is currently under negotiations between the two countries.

### **Investment**

According to figures released by the Department of Industrial Policy & Promotion (Government of India), FDI inflows from Israel to India from April 2000 to April 2011 totalled US\$ 53.24 million placing it at 39<sup>th</sup> rank (0.04% of total FDI inflows to India).

While the traditional business thrust in diamonds, agriculture, chemicals, information & communication technology and pharmaceuticals remains strong, there is a growing interest from Israeli companies in doing business in other sectors. Israeli companies have invested in India in energy (Leviathan Energy) renewable energy (Focal Energy), telecom (Tower Vision) real estate (Levinstein), water technologies (Tahal and Nisko Ardan). Israeli companies are focusing on setting up Research and Development (R&D), development centres or production units in India.

Indian companies are marking their presence in Israel through mergers and acquisitions and by opening branch offices. TCS started operation in Israel in 2005. State Bank of India opened a branch in Tel Aviv in 2007. The first major acquisition occurred in 2007 when Jain Irrigation of India purchased 50% stake in Naan-Dan, a major Israeli irrigation equipment manufacturing company. India's Sun Pharma has 65.2% stake in Israel's Taro Pharmaceutical Industries (as of Nov 2010). In 2009 Israeli companies were acquired by India's telecom companies Tejas Networks and Connectiva Systems.

### **Agriculture**

In December 1993 India and Israel signed a bilateral agreement for cooperation in the area of agriculture. Under the agreement the first Joint Committee was set up 2006 and an inter-Governmental "Work Plan" outlining cooperative activities was signed the same year. The Work Plan was followed by an Action Plan 2008-2010 under which projects have been undertaken with help of experts from Israel in Haryana, Maharashtra, Rajasthan and Gujarat. As part of the Action Plan, a Center of Excellence for fruits at Sirsa, Haryana will be inaugurated in 2012. A Center of Excellence for vegetables is functional at Karnal. A Joint Declaration was signed in May 2011 by Agriculture Ministers of the two countries. A bilateral Action Plan for the period 2012- 2015 has been finalized for projects in Haryana, Maharashtra, Karnataka, Rajasthan, Gujarat, Tamil Nadu and Punjab.

In Maharashtra, Israel proposes to set up Centers of Excellence for Mango, Citrus and for Pomegranate respectively. India has benefited from Israeli expertise and technologies in horticulture mechanization, protected cultivation, orchard and canopy management, nursery management, micro-irrigation and post-harvest management particularly in Haryana and Maharashtra. India-Israel Action Plan for second phase has been finalized for implementation from April 2012 to 2015 in the States of Haryana, Maharashtra, Karnataka, Rajasthan, Gujarat, Tamil Nadu and Punjab.

Located in one of the world's most arid regions, Israel has developed novel and efficient water technologies for waste water management, recycling of waste water, desalination, water security, and water conservation. Local water know-how and technology is exported to more than 100 countries. With a 75% water recycling rate, Israel is the world's number one waste water recycler and home to the world's largest Seawater Reverse Osmosis (SWRO) desalination plant, annually producing 100 million m<sup>3</sup> of water at the low cost of about US\$ 0.52 per m<sup>3</sup> of water. India's companies and official delegations regularly visit the annual event WATEC in Israel which showcases Israel's water and energy technologies.

Some Israeli companies and experts are providing their expertise to manage and improve dairy farming in India given their expertise in high milk production of milch animals in hot climatic conditions and genetic engineering.

Jain Irrigation Company purchased 50% stake in Israel's Naan-Dan Irrigation in 2007 and became the world's second largest irrigation company. Israel-based Netafim is the second biggest player in India in micro-irrigation and sprinklers, with a 15% market share.

Indian official and business delegations regularly attend Israel's triennial event Agritech which showcases Israel's achievements in agriculture. The 18<sup>th</sup> International agricultural Exhibition (Agritech 2012) will be held on May 15-17, 2012 in Tel Aviv.

## **Cooperation in Science & Technology**

India-Israel cooperation in science and technology has evolved on two tracks. There is joint research by S&T institutions under S&T Cooperation Agreement signed in 1993. Secondly under an MOU on Industrial Research and Development Initiative (IIRD) signed on May 30, 2005 between Department of Science & Technology, India and Ministry of Industry, Trade & Labor, Israel a joint industrial R&D fund “ i4RD” has been set up to promote bilateral industrial R&D and specific projects. Under i4RD mechanisms have been created to fund for joint projects by the industry, involving at least one Indian and one Israeli company.

## **Other Training Programmes**

The Centre for International Cooperation with Israeli Foreign Ministry (MASHAV) has conducted training programmes in diverse fields including health, agriculture, education and management.

## **Culture & Tourism**

India is known in Israel as an ancient nation with strong cultural traditions, and in popular Israeli perception India is an attractive, alternative tourist destination. Israeli youth are particularly attracted to India. About 35,000 Israelis, mostly youth, after finishing military service, visit India annually. The level of understanding of and knowledge about India is growing, in some measure as a result of India's economic advancement and image as an important centre for hi-tech. There is also an abiding interest in Indian culture, which is promoted with a variety of dance, music, traditional arts, crafts and cinema.

Courses related to India are taught at the Tel Aviv University, Hebrew University and Haifa University. India has an MoU with Tel Aviv University to set up a Rotating Chair for Indian studies in the Department of East and South East Asian Studies. Hindi is taught at Tel Aviv University and Hebrew University. Seven ICCR scholarships and some Know India Scholarships of Ministry of Overseas Indian Affairs are granted to Israelis every year. A new Cultural Exchange Programme is being negotiated by the two sides.

The first ever month long cultural festival of India in Israel entitled ‘Celebrating India in Israel’, produced by the Indian Embassy along with Teamwork Productions which brought together contemporary and classical Indian culture in all its aspects was held in May 2011. The festival was a huge success. A similar Festival of India is planned in May 2012 in Tel Aviv, Jerusalem, and Haifa.

## **Civil Aviation Links**

An Air Services Agreement was signed in April 1994. The Israeli national carrier "El-Al" Airlines currently flies four times a week from Mumbai to Tel Aviv.

### **Indian Banks, PSUs, Tourist offices, etc.**

State Bank of India opened its branch in March 2007. It is located in Diamond Exchange in Ramat Gan.

### **Indian Community- NRI/ PIO**

There are approximately 70,000 Jews of Indian origin in Israel, most of whom are Israeli nationals. The main waves of immigration into Israel from India took place in the fifties and sixties. The majority is from Maharashtra (Bene Israelis) and smaller numbers are from Kerala (Cochini Jews) and Kolkata (Baghdadi Jews). The older generation still maintains an Indian lifestyle and their cultural links with India remain intact, while the younger generation is increasingly assimilated into Israeli society. They are mostly engaged in agriculture or work in the new development towns outside the traditional urban centers.

This community is playing an important role in the development of this country. They are considered to be hard-working, skilful, reliable and a responsible community that has contributed not only in agriculture but also as an effective workforce in many of Israel's industries. A number of members of the community are active in social and political fields. Some entrepreneurs are also successful as restaurateurs, mainly serving Indian food. A few Indians have made a mark in the area of medicine and agricultural science. Jews from Cochin have contributed immensely to desert farming in Israel by adopting modern technology. Mr. Eliyahu Bezalel hailing from Chennamangalam, Cochin has distinguished himself as an eminent agriculturalist. He also became the first Israeli of Indian origin to receive the "Bhartiya Pravasi Samman" for the year 2005.

The resident Indian community of about 700 Indian citizens includes diamond traders, some IT professionals, students and unskilled workers. There are also about 6,000 unskilled workers mainly employed as care-givers. There is a Central Organization of Indian Jews, which brings together a large section of Indian Jews.

**March 2012**

### List of signed Bilateral Agreements

Bilateral agreements	Date of Signature
Establishment of Full Bilateral Diplomatic Relations	29.01.1992
Agreement for Cooperation in Science and Technology	May 1993
Agreement for cooperation in Agriculture	December 1993
Agreement for Trade and Economic Cooperation	April 1994
Agreement for the Promotion and Protection of Investments	29.01.1996
Convention for Avoidance of Double Taxation and Prevention of Fiscal Evasion with Respect to Taxes on Income and on Capital	29.01.1996
Bilateral Agreement regarding Mutual Assistance and Cooperation in Customs matters	29.01.1996
Agreement on Cooperation in Peace Uses of Outer Space	28.10.2002
Agreement on Cooperation in the field of Health and Medicine	09.09.2003
Agreement on Cooperation in combating illicit trafficking and abuse of narcotic drugs and psychotropic substances	09.09.2003
Agreement on Cooperation in the field of Protection of the Environment	09.09.2003
Agreement on Exemption of Visa requirement for holders of diplomatic, official and service passports	09.09.2003
Memorandum of Understanding on India-Israeli Research and Development Fund Initiative	30.05.2005
Inter Governmental Work Plan on Agriculture Cooperation	10.05.2006
Extradition Treaty	10.01.2012
Agreement for Transfer of Sentenced Prisoners	10.01.2012