

India–Israel Relations

Political Relations

On 17 September 1950, India announced recognition of Israel. Soon after, the Jewish Agency established an immigration office in Bombay. This was converted into a Trade Office and later a Consulate. Following the 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. 2012 was the 20th anniversary of establishment of full diplomatic relations between India and Israel, during which EAM visited Israel.

The relationship has thrived on the common bedrock of parliamentary democracy; Common Law structures; liberal system of education; knowledge of English language; a history of British colonial rule; similar strengths in the knowledge industry and a highly qualified scientific and technical manpower. A long and peaceful Jewish presence in India and presence of 100,000 Indian Jews in Israel made things easier. India is a destination of choice for over 38000 Israelis who visit India every year for tourism and business. Nearly 40,000 Indians visited Israel in 2012, the largest number of tourists from an Asian country.

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 to India:

- ❖ 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 to Israel:

- ❖ 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);
- ❖ Chief Minister of Haryana Mr. Bhupinder Singh Hooda (April 2011);
- ❖ Comptroller and Auditor General Vinod Rai (May 2011);

- ❖ RBI Governor D. Subbarao (June 2011);
- ❖ External Affairs Minister Shri S.M. Krishna (January 2012)
- ❖ Minister of Urban Development Shri Kamalnath (February 2012)
- ❖ Minister of Communications, Information Technology and Human Resource Development, Mr. Kapil Sibal (April 2012)
- ❖ Minister of Tourism, Mr. Subodh Kant Sahai (June 2012)
- ❖ Chief of Air Staff and Chairman of Chiefs of Staff Committee of Indian Armed Forces, Air Chief Marshal N.A.K. Browne: January 2013
- ❖ Shri Ashok Gehlot, Chief Minister of Rajasthan, April26- May 1, 2013
- ❖ Minister of Communications & IT Shri Kapil Sibal, June 2013

Visit of External Affairs Minister Shri S.M. Krishna

External Affairs Minister Shri S.M. Krishna visited Israel on January 9-10, 2012 against the backdrop of 20th anniversary of diplomatic relations. 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 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. EAM announced approval of Government of India for opening a Consulate General of Israel in Bengaluru. He also announced a special grant of US\$ 25,000 for setting up a Baba Farid Heritage Centre at the Indian Hospice in Jerusalem.

Visit of Chief Minister of Rajasthan Mr. Ashok Gehlot

Mr. Ashok Gehlot, Chief Minister of Rajasthan, visited Israel from April 26-May 1, 2013 accompanied by Minister of Public Health Engineering Department, Chief Secretary and senior officials. He discussed ways of enhancing cooperation in agriculture in arid areas; water management; and management of extension network. The delegation met senior executives of Israeli companies to discuss possibilities of cooperation in agriculture and water technologies.

Visit of Minister of Communications and IT

Minister of Communications and IT, Shri Kapil Sibal visited Israel from 15-18 June 2013 to promote India's National Policy on Electronics of 2012 and seek collaboration in research, design and manufacturing in electronics. He met Israel Ministers of Communications; Finance and Economy to discuss G2G initiatives in these sectors. He announced that India would like to set up a joint fund with a contribution of \$5 million from Government of India to create an eco-system to help navigate trade in high-tech, especially electronics, given complementarities of Israel's innovative IT sector and India's growing high-tech manufacturing sector.

Commercial and Economic Relations

From a base of US\$ 200 million in 1992 (comprising primarily of diamonds), merchandise trade diversified and reached US\$ 5.153 bln in 2011. However, there was a decrease of 14.3% in bilateral trade as compared to 2011 (US\$ 5.19 billion). Owing to the global economic recession, bilateral

trade in diamonds decreased significantly, resulting in a decrease in overall bilateral trade as well.

India-Israel two-way trade in 2012 (Jan-Dec) stood at US\$4.44 billion, including trade in diamonds. Balance of trade was in Israel's favor by US\$ 573 million. India's exports from Israel amounted to US\$1.93 bln and India's imports from Israel were worth US\$2.50 bln. Although India's exports to Israel in areas other than diamonds increased over the years, diamonds continue to be an important segment of total bilateral trade.

India was Israel's 9th largest trade partner and Israel's 3rd largest trade partner in Asia after China and Hong Kong (trade data includes diamonds). India is ranked Israel's 10th largest import source and 6th largest export destination, including diamonds.

In recent years, Israel took a decision to strengthen economic relations with China and India. In 2011 Israel announced a fund of NIS 100 million (around US\$ 28 million) spread over a period of three years to cover expenses on relocation of employees to India (or China); hiring a local consultant; and logistics for opening an office in the target country.

Free Trade Agreement:

Seven rounds of negotiations have been held so far. Next round of talks are scheduled in Israel in the year end.

Investment

FDI inflows from Israel to India remained low, with Israel ranking 43rd during April 2000 to October 2012, at US\$55.32 million. However, data may not be accurate as FDI from Israel also flows from Europe and USA. Although official data about India's investment in Israel is not available, significant investments from India in Israel in 2012 include completion of acquisition of Israeli drip-irrigation company Naandan by Jain Irrigation, Sun-Taro India's 66% stake in Israel Taro Pharmaceuticals, Triveni Engineering Industries' recent investment in Israeli Aqwise Company, and others. A consortium of India's Cargo Motors Pvt. Ltd and Israel Ports Company won a US\$700 million contract bid to build a deepwater port at Nargol in Gujarat.

There is growing interest from Israeli companies in doing business in other sectors. Israeli companies have invested in India in energy, renewable energy, telecom, real estate, water technologies. Israeli companies are focusing on setting up R &D centers or production units in India.

Indian companies are marking their presence in Israel through mergers and acquisitions and 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. In May 2012 Jain Irrigation acquired 100% stake in Naandan.

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 agriculture. Under the agreement the first Joint Committee was set up 2006 and an inter-Governmental "Work Plan" outlining cooperative activities was signed. The Work Plan was followed by an Action Plan 2008-2010. A Joint Declaration was signed in May 2011 by Agriculture Ministers of the two countries. Under the bilateral Action Plan for 2012-2015 cooperation has been expanded to seven states including Haryana, Maharashtra, Karnataka, Rajasthan, Gujarat, Tamil Nadu and Punjab. Nearly 10 India-Israel Centers of Excellence for cooperation in agriculture have been set-up so far. Israel intends to increase this to 28 Centers in future.

In Maharashtra, Israel proposes to set up Centers of Excellence for Mango; Citrus; and for Pomegranate, respectively. India 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.

Some Israeli companies and experts are providing expertise to manage and improve dairy farming in India through 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.

Cooperation in Science & Technology

India-Israel cooperation S&T 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" was set up to promote bilateral industrial R&D and specific projects. Under i4RD mechanisms joint projects by the industry are funded, involving at least one Indian and one Israeli company. Since launching the programme in 2006, 7 projects have been approved.

On May 7, 2013 Karnataka State Council for Science and Technology (KSCST) and the Karnataka Science and Technology Promotion Society (KSTePS), signed an MoU with Israel's MATIMOP, the Israeli Industry Center for R&D, for industrial research and development partnership. Through the program, industries may seek financial support through partner matching and funding for joint bilateral research and development (R&D) projects, involving

at least one small/medium scale company of Karnataka and one Israeli company.

Tata Industries and Ramot at Tel Aviv University (TAU), the university's tech transfer company, have entered into a Memorandum of Understanding (MoU) to fund and generate commercialisation ready technologies in a wide range of fields, including engineering and exact sciences, environment and clean technology, pharmaceuticals and healthcare. Under the MoU, Tata Industries, through its wholly owned overseas subsidiary, will be the lead investor in Ramot's \$20 million Technology Innovation Momentum Fund.

Culture and Education

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 38,000 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. A new Cultural Exchange Programme is being negotiated by the two sides.

In 2012, Minister of Tourism, Shri Subodh Kant Sahai inaugurated the statue of Rabindranath Tagore at Hebrew University in Jerusalem to mark the 150th birth anniversary of Rabindranath Tagore. An Indian contemporary art exhibition, 'Critical Mass' was held at the Tel Aviv Museum of Art, from May-November 2012 with 11 Indian contemporary artists exhibiting their works. As part of 20th Anniversary of relations between India and Israel, a joint postal stamp depicting the common tradition of festival of lights (Diwali and Hanukkah) was released in November, 2012 in Tel Aviv.

The first cultural festival of India in Israel titled '**Celebrating India in Israel**' in May 2011 was produced by the Indian Embassy along with Teamwork Productions. The second festival was in April-May 2012 in Tel Aviv, Jerusalem, and Haifa. The third edition of 'Celebrating India in Israel' which took place in April-May 2013 also received very warm reception from Israeli audience.

Education

Courses related to India are taught at Tel Aviv University, Hebrew University and Haifa University. India has signed an MoU with Tel Aviv University for a Chair for Indian studies in the Department of East and South East Asian Studies under which Indian Professors have been coming for a semester. Hindi and other Indian languages are taught at Tel Aviv University and Hebrew University. Seven ICCR scholarships and Know India Scholarships of Ministry of Overseas Indian Affairs are granted to Israelis every year. Some private and public Indian universities have entered into

agreements with Israeli universities for faculty exchange under which Israeli professors spend a semester teaching in India.

India-Israel Joint Academic Research Programme 2013

In May 2013 India and Israel launched a new funding programme of joint academic research, the first round of which (2013-14) will focus on: exact sciences (mathematics, theoretical chemistry, theoretical physics, theoretical computer sciences, computational biology) and humanities (archaeology, theatre/cinema/TV, cultural studies, religious studies). Each government is contributing \$5 million annually for five years. The programme will provide support for nearly 50 collaborations providing upto US\$300,000 for an experimental project or US\$180,000 for a theoretical project for up to three years. University Grants Commission, India and Israel Science Foundation will administer and.

Scholarships for Indian students

In February 2012, the Israeli Ministers of Finance and Education jointly announced 300 post-doctoral scholarships to students from India and China in all fields over a period of three years with an annual budget of NIS 30 million (nearly US\$7.78 million). Triennial grants of NIS 100,000 each will be given for 100 students every year. Although no quota is provided for participant countries, in 2012-2013 out of 80 available scholarships 66 awardees were Indian students. In 2013-14, of the 100 fellowships 78 were awarded to Indian students.

The Government of Israel has recently approved 250 summer scholarships (June to August 2103) for 8 courses for Indian and Chinese students in prestigious Israeli universities like Technion (IIT Haifa), Tel Aviv University, Hebrew University and Ben Gurion University.

Indian Community

There are approximately 100,000 Jews of Indian-origin in Israel, most of whom are now Israeli passport holders. 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). In recent years some Indian Jews from North Eastern states of India (Bnei Menache) have been immigrating to Israel. 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.

The community is playing an important role in 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. Many 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 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 and became the first Israeli of Indian origin to receive “Bhartiya Pravasi Samman” in 2005.

The resident Indian community of about 2000 Indian citizens includes diamond traders, some IT professionals, students and unskilled workers. There are also about 8,000 unskilled workers mainly employed as care-givers. There is a Central Organization of Indian Jews, which brings together a large section of Indian Jews.

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