

General Studies – 2; Topic: Bilateral, regional and global groupings and agreements involving India and/or affecting India's interests

India - Israel Relations

1) Introduction

- Israel's Prime Minister Benjamin Netanyahu's six-day visit to India is a historic occasion.
- Benjamin Netanyahu termed Israel's relations with India as a "marriage made in heaven but consecrated here on earth".
- There is "prosperity, peace and progress" in bilateral ties.

2) Significance of Benjamin Netanyahu's visit to India

- The visit of Prime Minister Netanyahu is a significant landmark in India-Israel relations.
- The visit is significant especially after India voted in the UN General Assembly against recognising Jerusalem as Israel's capital.
- The visit clears apprehensions of a road block in India-Israel relations.
- This is only the second visit by an Israeli prime minister since the two countries established diplomatic ties in January 1992.
- The two countries are celebrating 25 years of friendship.
- It is a good opportunity for businessmen from both sides to interact with and understand each other, and bridge the cultural gap that exists.
- The two countries inked nine pacts in key areas including oil and gas sector and cyber-security.
- The iconic Teen Murti Chowk in central New Delhi was renamed as Teen Murti-Haifa after Israeli City Haifa.

3) Recent Developments

- "India-Israel Industrial R&D and Technological Innovation Fund" was concluded in July 2017 when Prime Minister Narendra Modi visited Israel.
- This will support high value-added R&D and enhance the knowledge base of Indian technology industries.
- The techno-economic collaboration is expected to increase significantly.
- Israel will invest \$68.6 million to boost cooperation with India in areas like tourism, technology, agriculture and innovation over a period of four years.
- India has been trying hard to balance its relationship with Israel with its support to the Palestinian cause.
- Israel seems to understand India's position, which is a sign of maturity.
- India and Israel are set to jointly develop new crop varieties and share post harvest technologies following the success of the 10-year-old Indo-Israeli Agriculture Project (IIAP).

4) Economic Relations

- Trade, technology and tourism are the three key areas in India-Israel economic relations.
- Over the last 25 years, bilateral trade has increased from \$200 million to more than \$4 billion (excluding defence) in 2016-17.
- Given India's large market and huge consumer base, the numbers are low compared to India's economic relations with other countries.

5) Defence Ties

- India already has robust defence ties with Israel which is expected to strengthen further.
- India is the largest arms buyer from Israel; trade is to the tune of approximately \$600 million.
- If defence ties keep increasing at the same rate, Israel may replace Russia as India's largest arms supplier.
- Last year, India signed the biggest weapons deal in Israeli defence history, which is nearly \$2 billion.
- This will provide India with an advanced defence system of medium-range surface-to-air missiles, launchers and communications technology.

6) Water and Agriculture

- Israel has become one of the foremost technology superpowers in areas such as rainwater harvesting, use of oceanic water and using that for irrigation in the most dry land.
- Israel has mastered water conservation techniques and India can learn from it.
- It helps India to face its water stressed condition.
- Another area of potential cooperation is cleaning polluted rivers.

7) Way Forward

- The two sides must expedite talks on trade and investment in an effort to take bilateral ties to the next level.
- Need for a Free Trade Agreement (FTA) as well as a Bilateral Investment Treaty (BIT) at the "earliest" in an effort to forge greater business-to-business ties.
- India must provide greater market access especially in the farm sector, pharmaceuticals and automobiles segments.
- Together, the existing Indian and Israeli innovation ecosystem can create a global impact.
- Israeli companies can join hands with India's manufacturing sectors to scale up the innovations.
- Greater partnership in new R&D projects in India in areas like digital healthcare, agriculture and water.
- India can leverage its space technologies to Israel for its developmental purposes where India enjoys upper hand.
- India could well take a cue from how Israel maintains stringent external and internal security, allowing Israeli settlements right up to the border of conflict zones.
- Both need to cooperate to combat growing radicalisation and terrorism, including in cyber space.
- Israel will be benefited from large pool of skilled Indian engineers and doctors as Mr. Netanyahu's quoted "Indian talent and Israeli technology equals India-Israel ties for tomorrow."