



India Israel strategic partnership Part II

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Why in news?

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Indian PM recently completed his 3 days visit to Israel.

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What is the significance of the visit?

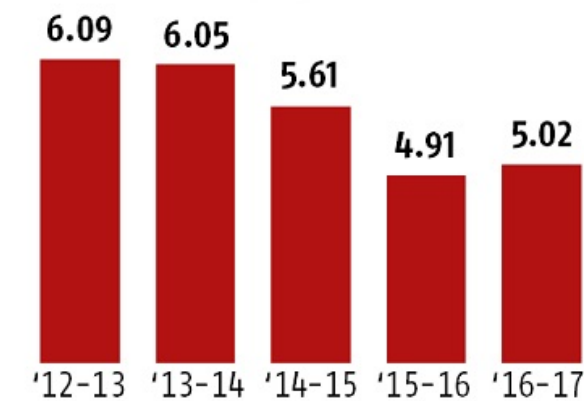
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- India opened diplomatic relations with Israel in 1992.
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- But for the last 25 years, India has always insisted on keeping its ties low-key.
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- This is the first visit by an Indian Prime Minister to Israel.
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- PM also broke the traditional pattern of jointly traveling to Tel Aviv and Ramallah.
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- This is a deliberate effort to broadcast that India is de-hyphenating its relations with Israel and Palestine i.e dealing them as separate entities with separate interest.
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- For India, the benefits of the trip are long term.
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- Chinese are ahead of us in bilateral trade.
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- Their companies are investing heavily in Israel's cutting-edge start-ups.
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TRADE WITH ISRAEL

Bilateral trade (\$ bn)



Source : Commerce and industry ministry

TOP EXPORT ITEMS

- Petroleum oil
- Raw diamonds
- Organic chemicals

TOP IMPORT ITEMS

- Raw diamonds
- Electrical machinery and equipment
- Fertilisers

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- Excluding defence, bilateral trade between India and Israel is just around \$5 billion. Most of it is in the diamond trade.

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- Israel has become one of India's most important weapons suppliers, after Russia and the US.

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- Israel Aerospace Industries (IAI) recently signed a \$2-billion deal to supply missile systems to the Indian navy and \$630-million agreement to sell air defence systems.

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- But the seven deals signed suggest that India mainly hopes to leverage Israel's skills in science and technology.

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- Indian companies like Sun Pharma and ATG, a specialty tyre-maker, have big interests in Israel.

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Why Israel is interested?

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- Trade and defence ties have developed between the two in spite of the fluctuations of political events.

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- India is also Israel's biggest arms market, with an average of \$1 billion of

defense sales per year.

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- Israel wants to consolidate these.

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- Israel also wants to increase its contact with global super powers to break the pattern of years of isolation.

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What should be done?

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- Though India's defence ties deepen with Israel, India has to tread carefully with the Arab States.

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- It is because India is still dependent on it for a bulk of its energy requirements has millions of emigrants there.

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Source: Business Line

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