

On January 1, 1997, the Canada-Israel Free Trade Agreement (CIFTA) came into effect. This was the first free trade agreement Canada entered into with a country from the Middle East region. The agreement provides for tariff-free imports and exports from Israel to Canada, and vice versa, on the majority of goods. This paved the way for increased bilateral trade, which has more than tripled from \$567 million in 1997 to \$1.8 billion in 2008. Canada's top exports to Israel are machinery, paper, newsprint, plastics, wood and aluminum. Israel's top exports to Canada are pharmaceutical products, electrical machinery, precious stones and metals, machinery, optical equipment and organic chemicals. The two countries continue to work together through bilateral discussions on improved market access for various agricultural items subject to the CIFTA. Further liberalization of other goods will also be looked at, leading to a deeper trading relationship.

