

Political situation: The May 29, 1996 election produced a right of centre coalition government under Likud leader Benjamin Netanyahu. The new government is expected to pursue more hardline positions on issues affecting Israel's security. Netanyahu has pledged to continue the peace process. Some of the most contentious issues between Israel and Palestinians remain to be negotiated, including the status of Jerusalem and the presence of 270,000 Israeli settlers in predominantly Palestinian West Bank and Gaza.

Economy

Gross Domestic Product: C\$84.4 billion ; C\$15 932 per capita (1994).

Economic growth rate: 7.0% (1994).

Inflation: 14.5% (1994).

Unemployment rate: 10% (1993).

External debt: C\$26.5 billion (1994).

Main commercial ports: Ashdod, Haifa.

Main industries: Financial services, manufacturing of consumer goods, tourism, and construction.

Description: With a thriving private sector, well-educated workforce, modern banking industry, an important stock exchange and an excellent communications system, Israel has one of the fastest growing economies in the region. Much of the growth is fuelled by the high number of immigrants from the former Soviet Union. A mixed economy with a strong degree of government control over key sectors, Israel also has a large cooperative sector which includes the *kibbutz* and *moshav* movements (agricultural cooperatives); an the *Histadrut* labour federation also, owns many large firms. The government has begun to sell off state-owned companies, reform restrictive labour practices and reduce regulation.

Canada/Israel Relations

Canadian exports to Israel: C\$216.12 million (1995), mostly aluminium, vehicles, machinery, paper, pulp of wood and wood.

Canadian imports from Israel: C\$240.885 million (1995), mostly industrial diamonds, machinery and electrical equipment.

Official visits: Visiting Israel: Solicitor General Herb Gray (January 1996), Minister of Justice Allan Rock (April 1995); Leader of the Official Opposition Ontario Liberal Party Lyn McLeod (November 1994); Minister of Public Work and Government Services David Dingwall (October 1994); Minister of National Defence David Collenette (May 1994); Ontario Premier Bob Rae (December 1993); former Speaker of the House of Commons John Fraser (March 1992); former Minister of National Defense Marcel Masse (January 1992); former Secretary of State for External Affairs Joe Clark (March 1991, November 1990). Visiting Canada: Prime Minister Yitzhak Rabin (November 1994, November, 1993); Minister of Foreign Affairs Shimon Peres (March 1993); former President Chaim Herzog (June 1989), Housing Minister Ben-Eliezer (February, 1995).

Canadian aid: Israel is not eligible except through two regional CIDA projects in support of the Middle East Peace Process.

Immigration requests: 1563 people immigrated to Canada from Israel in 1993 including approximately 150 refugees.

Canadian-Jewish community: approx. 350,000 with concentrations in Toronto and Montreal.

For a travel advisory report, please call 1-800-267-6788 (toll free).

For more information on exporting, please call 1-800-267-8376 (toll free).

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