

ASK A TRADE COMMISSIONER

In her second year as Canada's Counsellor (Commercial) in Israel, Ruth Zeisler has seen many changes, both political and economic, taking place in that country. In addition to the Middle East Peace Process, the most momentous development on the trade front has been last July's signing of the Canada-Israel Free Trade Agreement (CIFTA). CanadExport reached Zeisler — just back from a trade promotion trip in Gaza — at the Canadian Embassy in Tel Aviv.

"Israel, Gaza and the West Bank are open to business for Canadians exporting all types of products and commodities, says a highly confident Zeisler.

And not only are all the stats there to reinforce her enthusiasm and upbeat description of the numerous opportunities worth pursuing, so are Canada's exporters marketing a wide range of products and capabilities.

Bilateral trade booming

Canadian exports to Israel are clearly on the rise in the last two years — after being fairly steady over the course of the previous ten.

The year ended May 1996 saw a whopping 69 per cent increase, coming on the heels of a 49 per cent growth for the period December 1994-December 1995.

To put it into perspective, Canada-Israel trade — almost balanced for calendar 1995 — amounted to \$450 million, with Canadian exports reaching \$216 million, while imports from Israel accounted for \$240 million.

Two-way trade with Palestinian businesses is just developing, representing about \$14 million in 1996. However, as Zeisler notes, "there must be a beginning upon which a solid founda-

tion can be built, to last."

What has led to this sudden boom in trade?

"Initially," explains Zeisler, "it was a combination of several factors, one of the most important being advances in the Peace Process, but as important, Israel's immigration wave, influx of foreign capital and investment flows, and Israel's reacquaintance with trading partners in the neighbourhood and in the Far East.

"More recently," she says, "as was the case with the Canada-U.S. FTA and NAFTA, news of a pending Free Trade Agreement with Israel spread like wildfire. Canadian companies began to take a closer look at both the Palestinian and Israeli marketplaces. The result, companies are already positioning themselves to be contenders here as well."

CIFTA impetus

The FTA with Israel — the first such agreement between Canada and a trading partner outside the North American continent — is already having a beneficial effect on bilateral trade, although it is still over a month away from entering into force.

In addition to eliminating tariffs on most products and services, the FTA will give Cana-

dian exporters the same competitive edge to access the Israeli and Palestinian market as that enjoyed by the U.S.A., the European Union and the Eastern European countries with which Israel has had similar agreements for some time.

Another important feature is that the benefits under this agreement will be extended to all goods produced in Gaza and the West Bank by virtue of the custom union between Israel and the Palestinian Authority.

"All these agreements will have a ripple effect," says Zeisler, "with the potential of expanding the marketplace beyond Israel, Gaza and the West Bank through joint ventures and third market cooperation.

"The Israeli economy is slowing," Zeisler adds. "However, a 1-2 per cent growth per capita in the economy, considered to be a bad year by Israeli standards, might be envied by some other economies."

Doing business in Israel, Gaza and the West Bank

"Doing business, whether with Israelis or Palestinians, is more than just doing business," advis-

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