

Canada-Israel Bilateral Trade Relations

For many years, Canada and Israel have had excellent relations based on shared values and strong political and social bonds.

In 1995, two-way trade was \$450 million, an increase of 37 per cent over 1994. Canadian exports totalled \$236.7 million in 1995, up 49 per cent from 1994. Major Canadian sales include machinery and parts, aluminum, paper and paperboard, electrical equipment and parts, pulp of wood, cereals, sulphur and asbestos, optical measuring and checking equipment, wood and man-made staple fibres.

Canadian imports from Israel were worth \$240.8 million in 1995, 32 per cent more than in 1994. As in previous years, the two largest categories of imports were diamonds, and mechanical and electrical machinery and equipment.

In November 1994, the leaders of Canada and Israel announced the opening of negotiations for a bilateral Free Trade Agreement.

On January 12, 1996, Canadian and Israeli officials reached a tentative agreement leading to the formal signing of the Free Trade Agreement in Toronto during the visit of Minister of Industry and Trade of the State of Israel Natan Sharansky on July 31, 1996. The final text is subject to approval by both governments.

While Canada and Israel currently have strong commercial relations, this agreement will likely generate significantly more business opportunities. There are numerous companies already working to strengthen the existing economic ties between Canada and Israel.

The Export Development Corporation (EDC) offers four lines of credit for buyer credit financing in Israel. Canadian exporters looking to sell goods or services in Israel can benefit from the full range of financial and risk management services offered by the EDC.

Israel is an expanding market with a high standard of living and strong economic growth. This has created opportunities for Canadian companies specializing in value-added high technology goods. Other emerging opportunities are in sectors such as telecommunications, energy, oil and gas, agri-food, and fish.

Several recent developments have also helped foster business between Canada and Israel. For example, the Canada-Israel Industrial Research and Development Foundation (CIIRDF) was established in 1993 to promote industrial co-operation between Canadian and Israeli firms. Another positive development was the inauguration in June 1995 of Air Canada's non-stop service to Israel.

Canada shares strong cultural bonds with Israel. In 1994, it was estimated that the Canadian Jewish community had grown to about 350 000. Approximately 15 000 to 20 000 Canadians reside in Israel. These are the ties that help preserve the strong relations between Canada and Israel.