



Delegation of the European Union to the State of Israel

משלחת האיחוד האירופי למדינת ישראל

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Press Release

EU ambassador: "EU supports Israel's goal of opening up Israeli market to enhance competition and lower cost of living"

***Europe's economic relations with Israel stronger than with any third country;
EU expected to remain Israel's largest trade partner.***

Meeting yesterday with the Presidium of the Federation of the Israeli Chambers of Commerce, EU Ambassador to Israel Lars Faaborg-Andersen said that the EU-Israel annual trade volume of 30 billion euros was maintained in 2015 and was even expected to increase. The EU, he said, would remain Israel's largest economic partner for the foreseeable future.

"Our wide-ranging economic cooperation is thriving and very strong, perhaps stronger than our relations with any third country," said the ambassador. Quoting examples of this special relationship, he noted the mutually beneficial agreement on mutual recognition on standards for manufacturing of pharmaceutical products (ACAA) which facilitated the entry of Israeli products to the EU market. Moreover, at Israel's request, the EU used technical seminars and Twinning programs to help Israel to draw on European experience and best practices in domains such as transport, environment, data protection, agriculture and statistics. In the research field, Israel was successfully participating in the EU's "Horizon 2020" R&D programme and had already signed 240 grant agreements worth almost €155 million. Under the previous Research Framework Programme - FP7 - Israel had received NIS 1.6 for each NIS 1 that it contributed to the programme's budget. In addition, the 2013 "Open Skies Agreement" had already lowered air flight prices, increased the number of flights and more than doubled the number of destinations in the EU for airlines flying from Israel.

Turning to the future, Ambassador Faaborg-Andersen said that, "The EU, the Israeli government and the Israeli business community have something in common: we all wish to encourage the opening of the Israeli market in order to enhance competition, to streamline procedures for business and thereby also contribute to lowering the cost of living."

"In this context let me stress that the EU supports and welcomes the recommendations proposed by the "Lang Committee" in the area of product market reforms," said the ambassador. "In fact, at the request of the Ministry of Economy & Industry, we are supporting a series of information seminars on best practices in the functioning of the EU's internal market, including import procedures, standards, and enforcement, to help advance this comprehensive reform process in Israel."

Referring to the recently published OECD economic country survey on Israel, the ambassador noted that the productivity gap between Israel and the 12 most advanced OECD countries had widened, and that a key factor in narrowing this gap was greater exposure of the Israeli economy to competitive imports. A major factor in this productivity gap was the service sector in which the OECD had recommended that Israel, "reviews the many provisions that constrain the activity of foreign services providers in Israel" as well as, "encouraging the entry of new competitors".

"We would be keen to engage with you, as best as we can, to further this reform process," said Ambassador Faaborg-Andersen.

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