



EUROPEAN COMMISSION

## MEMO

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### **Building on long-standing ties, EU and Israel explore new opportunities for growth and innovation**

*Strengthening already amicable business relations and exploring further opportunities for European SMEs on the Israeli market will be the main focus of this week's visit to Israel by Vice-President Antonio Tajani, Commissioner for Industry and Entrepreneurship. During the visit, which will take place from October 21<sup>st</sup> to 23<sup>rd</sup>, he will be accompanied by more than 65 industry associations and companies from EU member states to help them form new partnerships and expand into new markets, especially in the areas of innovative and environmental technologies, information and communication technology, machinery, and space. In meetings with President Shimon Peres and key Israeli ministers, the Vice-President will also sign agreements strengthening cooperation on industrial policy, in the field of satellite navigation research and SME cooperation. This visit is part of the "Missions for Growth" to help European enterprises, in particular small and medium sized businesses better profit from fast growing international markets.*

#### **Relying on mutual strengths**

Israel is one of the most competitive economies in the world, and like the EU, one of its main strengths is its world-class capacity for innovation. Therefore, Israel and the EU have a **strong mutual interest** in increasing bilateral business relations and market integration to further promote innovation, boost sustainable growth and create jobs. The Mission for Growth to Israel targets numerous industry sectors, such as space technologies; information and communication technology and tourism; however, innovative and environmental technologies will also be key topics on the agenda.

The **overall objective** of this Mission is to enhance European industry's growth and competitiveness by better exploring the growth potential of Israel's dynamic economy. This will also be the main subject of the discussion at the meeting of President Peres and Vice-President Tajani.

Three more specific objectives are as follows:

#### **(1) More cooperation on industrial policy, tourism, space and innovation**

During the visit, Vice-President Tajani will meet Mr. Naftali Bennett, Israel's Minister of Economy to discuss how to further develop cooperation in industrial policy and innovation. The EU-Israel Association Agreement (entered into force on June 1<sup>st</sup>, 2000) forms the basis of the dialogue about these topics. To put more emphasis on these subjects, the two ministers will sign a **letter of intent on industrial policy cooperation**, which aims to

deepen industrial cooperation between the EU and Israel as well as identify new priorities. Moreover, it also intends to establish a dynamic and integrated approach to managing cooperation in order to create a favourable environment which will serve mutual business interests.

The Vice-President will also meet Mr. Uzi Landau, Minister of Tourism to discuss **cooperation in the field of tourism** and the implementation of the EU-Israeli Joint Declaration signed in 2011 in the area of tourism.

Furthermore, he will hold a meeting with Mr. Yaakov Perry, Minister of Science, Technology and Space to discuss **cooperation in the field of space**. At this meeting, an administrative arrangement on cooperation in the domain of satellite navigation systems will be signed.

As the Vice-President's visit will coincide with the [Water Technology and Environment Control Conference](#) in Tel Aviv, green and sustainable growth will also be one of the important topics on the agenda. He will **exchange views on boosting green and sustainable growth both in Israel and in the EU** with the Minister of Energy and Water Resources, Mr. Silvan Shalom. There is great potential for cooperation in this area because Israel resides in an area suffering from a shortage of water, which has inspired local entrepreneurs to come up with many novel innovations in water and agricultural technologies.

## **(2) Helping EU companies and in particular SMEs to operate in Israel**

Israel's economy relies heavily on its SME sector to provide growth and jobs, just like those of the EU countries. In terms of the size-class breakdown, the Israeli SME sector largely reflects that of the EU average, with micro and small enterprises accounting for more than nine out of every ten enterprises.

At the meeting with the Minister of Economy, Vice-President Tajani will promote **cooperation and mutual understanding in SME policy**. The ultimate objective of this discussion is to reduce costs for companies and increase productivity for businesses on both sides.

Minister Bennett and Vice-President Tajani will also sign a **letter of intent on SME cooperation** in order to create a more business-friendly environment conducive to investments. On the basis of this letter both sides could make further efforts to improve the framework conditions of SMEs by reducing the administrative burden and increasing access to finance.

## **(3) Promoting EU-Israel business contacts and opportunities**

A match-making event with local entrepreneurs will take place on 22 October 2013, in particular for companies operating in the sectors of environmental technologies, key enabling technologies, machinery and machine tools, information and communication technology, raw materials and space technologies. This event was organised with the help of the Enterprise Europe Network - the world's largest business support network, providing free basic service to SME clients to support their expansion into new markets and to improve their competitive position. The Enterprise Europe Network has three partner organisations in Israel.

### **Data on Israel:**

**Population:** 8 million (2012)

**GDP, current prices:** € 175 bn (2011)

**GDP per capita, current prices:** € 22.559 (2011)

**Actual individual consumption per capita:** € 17.000 (2012)

**EU exports to Israel:** € 17.0 bn (2012)

**EU imports from Israel:** € 12.6 bn (2012)

**Stock of EU FDI in Israel:** € 7.5 bn (2011)

**Inflation rate:** 1.6 % (2012)

### **Important trading partners**

The EU is Israel's **first trading partner** with total trade amounting to € 29.6 billion in 2012, confirming a positive trend after the 2009 fall due to the global economic crisis. Israel is also an important trading partner for the EU, especially in the Mediterranean area.

### **Background: a long history of cooperation**

The European Union and Israel share a long common history, marked by growing interdependence and cooperation. Both share the same values of democracy, a respect for freedom and rule of law and are committed to an open international economic system based on market principles. Israeli political, industrial, commercial and scientific leaders maintain close links to Europe. Over five decades of trade, cultural exchanges, political cooperation and a developed system of agreements have reinforced these relations.

[More information on the Mission for Growth to Israel](#)

[More information on Missions for Growth](#)

