

TRILEGAL

COUNTRY DOSSIER

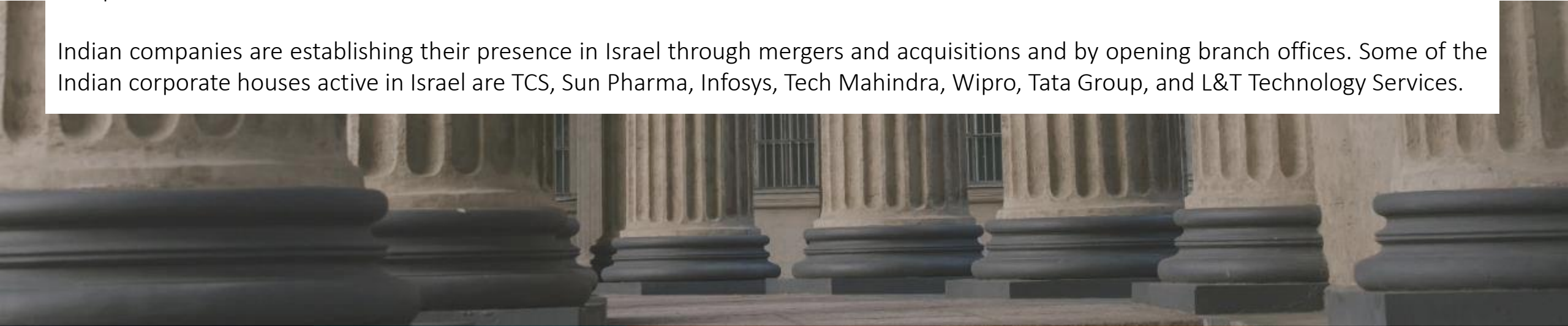
Israel

September 2022

India is Israel's second-largest trading partner in Asia and the ninth largest globally. Though bilateral trade is dominated mainly by diamonds and chemicals, recent years have witnessed an increase in trade in areas such as electronic machinery and high-tech products, communications systems, medical equipments, defence and, green energy mobility. India continues to be a 'focus' country for the Israeli Government's increased trade efforts. Although the two countries have been engaged in ongoing FTA negotiations, the FDI inflows from Israel between April 2000 - June 2022 were reported at USD 277 million while bilateral annual trade clocked USD 8 billion.

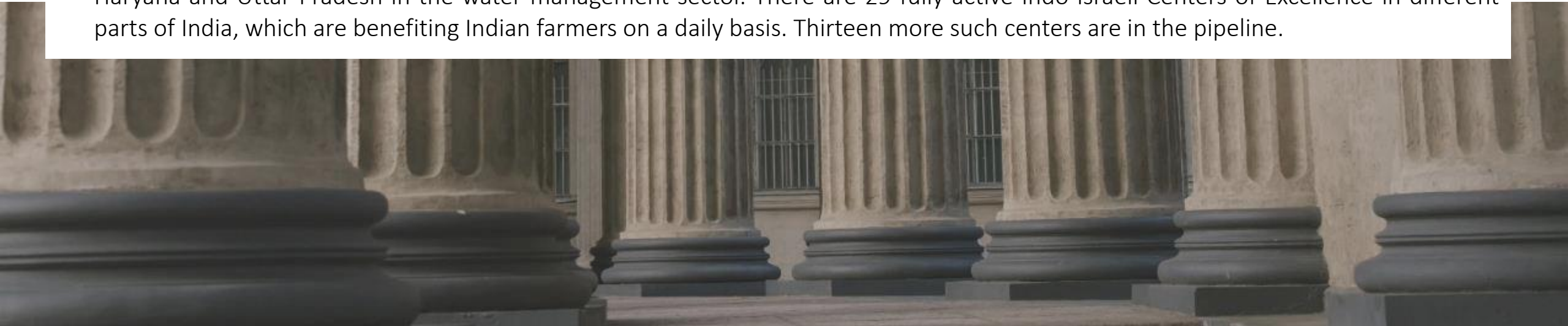
There are over 300 investments from Israel in India mainly in the high-tech domain and in agriculture. There is a growing preference for Israeli companies in sectors such as renewable energy, water technologies, homeland security and real estate in addition to traditional areas such as agriculture, and chemicals. Teva Pharmaceuticals, Ecoppia, Naa'n Dan Jain, Aqwise, Polemix, Eli Hajaj, Rivulis, Alumayer, Plasson, Huliot, Metzerplas, Avgol, IDE, Netafim, ADAMA, Mellanox, Dan Hotels, Water-gen, and Rivulis are among the leading Israeli companies which have notable investments in India.

Indian companies are establishing their presence in Israel through mergers and acquisitions and by opening branch offices. Some of the Indian corporate houses active in Israel are TCS, Sun Pharma, Infosys, Tech Mahindra, Wipro, Tata Group, and L&T Technology Services.



G2G Initiatives

- Defence minister Rajnath Singh and his Israeli counterpart Benjamin Gantz held talks that focussed on deepening military cooperation, especially in the areas of research and development in future technologies and co-production of weapons and unmanned systems. Both countries have inked separate deals worth around USD 3 billion over the last four to five years for advanced surface-to-air missile systems.
- For bilateral technological collaboration, an agreement was signed by the Defence Research and Development Organisation (DRDO) and Israel's Directorate for Defense R&D. The Indian Space Research Organisation (ISRO) and Israel Space Agency (ISA) discussed opportunities for launching Israeli satellites via Indian launch pads.
- MASHAV- Israel's Agency for International Development Cooperation will further strengthen the Israel-India strategic partnership and in the areas of agriculture and water. MASHAV will share knowledge, capacity building and Israeli technologies for the development of Haryana and Uttar Pradesh in the water management sector. There are 29 fully-active Indo-Israeli Centers of Excellence in different parts of India, which are benefiting Indian farmers on a daily basis. Thirteen more such centers are in the pipeline.



Defence

- Israeli firm Elbit-ISTAR an Elbit System's division and Bengaluru headquartered Alpha Design Technologies Limited (ADTL), an Adani firm, have formed a joint venture company (JV) called Vignan Technologies. The firm would establish a centre of excellence for development of key and high-end technologies such as embedded or processor software, image fusion, image processors, etc. for the Indian and global defence and aerospace equipment market.
- Adani-Elbit were among the list of 23 beneficiaries under the Production-Linked Incentive (PLI) Scheme for drone and drone components
- Hindustan Aeronautics (HAL) and Israel Aerospace Industries (IAI) will jointly convert civil passenger aircrafts to multi mission tanker transport (MMTT) aircraft in India.
- Israel Aerospace Industries has inked a USD 3 billion deal with India for 67 rotary wing drones for deployment along the Line of Control.
- India received the delivery of an advanced Israeli drone, Heron TP, as part of a deal signed earlier. These UAVs are likely to be deployed for surveillance missions along the borders.

Start-ups

- Adani Enterprises signed an MoU with the Israel Innovation Authority (IIA), a public funded agency overseeing innovation that will allow Adani businesses to access tech solutions provided by Israeli start-ups. The collaboration will span across climate change, cyber, AI, IoT, 5G, and agriculture – all of which are core businesses for Adani. The Adani Group will screen and select Israeli start-ups to develop innovative solutions in the tech space.
- International semiconductor consortium ISMC will invest USD 3 billion in Karnataka to set up a chip-making plant. ISMC is a joint venture between Abu Dhabi-based Next Orbit Ventures and Israel's Tower Semiconductor. U.S. chip giant Intel Corp has announced plans to acquire Tower.
- Well known in Israeli cybersecurity firm, Check Point is one of the key partners of the government of Karnataka.

Infrastructure

- India's Adani Ports and Special Economic Zone Ltd (APSEZ) and Israel's Gadot Group won the tender for privatizing the Port of Haifa, the second largest port in Israel that handles handling about half of Israel's container cargo. Through the winning bid of USD 1.18bn, the Adani-Gadot consortium has secured the rights to buy 100% shares of Haifa Port Company Ltd.

EV's/Mobility/Battery storage

- Hindalco, has signed an MoU with Phinergy, a leading Israel-based pioneer in metal-air battery technology, and IOC Phinergy Private Limited (IOP) - a joint venture between Phinergy and Indian Oil Corporation, to create aluminium-air batteries for electric vehicles (EVs) that have an extended driving range without the need for charging infrastructure
- Ola Electric invested USD 5 million in an Israeli battery technology company StoreDot which specialises in extremely fast charging technology, as part of its plans to manufacture advanced chemistry cells/new energy systems in India. Ola will also have exclusive rights to manufacture batteries integrating StoreDot's fast charge technology in India.
- Electric Vehicle maker Omega Seiki Mobility (OSM) struck a strategic alliance with Israel-based startup EVR Motors to produce in India a new TSRF-technology based compact e-motor for its existing and future vehicle models.
- Sona Comstar has announced that it has partnered with Drive TLV, an Israeli innovation center focused on smart mobile solutions. The partnership with DRIVE will give Sona Comstar access to Israel's high-tech mobile startup ecosystem.



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