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# With FTA, scope of trade will at least double

Elizabeth Roche, Livemint

Israel's ambassador on the shared goal for FTA by year-end; offering expertise in defence, agriculture, high-tech Feb 4: India and Israel marked two decades of the establishment of diplomatic ties on 29 January. From a pariah, Israel has quickly established itself as a key and critical partner of India in fields as varied as defence, agriculture and high technology. In an interview, Alon Ushpiz, Israel's ambassador to India, spoke about the prospects for the future and other issues. Edited excerpts:

This week, India and Israel mark 20 years of diplomatic relations. How do you look at what has been achieved and the way forward?

When one looks at what we—India and Israel—have achieved in the last 20 years, it's breathtaking. We have done magnificently together on what we define as existential issues. Take the volume of trade, for example. It's not easy to go from \$180 million in 1992 to over \$5 billion in 2011. The second example is agriculture. We had started with modest activities in a couple of states in India. I hope in the next three years we will reach almost 30 projects all over India, but one should not sit back idly and watch these achievements in last two decades. We have a very heavy burden to establish a road map for the next decade. We can do wonderful things in these critical issues, whether it's trade, agriculture, tourism or research and development (R&D), and these are just examples of what we can do.

You mentioned agriculture. We started off with drip irrigation that helped Indian farmers tremendously. Going beyond that, what are the new initiatives you are looking at? Food security is critical for India.

Israeli agriculture is based on knowledge, the know-how, on high-tech. It originates from the fact that we have very scarce natural resources. Now, our mutual understanding and our joint mode of operation in India are based on building centres of excellence or model farms that become platform for on-the-ground R&D combined with Israeli know-how, which is transferred in the most implementable way possible to the farmers on the ground. So what we try to do is to bring this combination and to adjust it to Indian needs and Indian conditions. We do not do copy-paste.

You have your unique qualifications. We try to apply what we know to what you can do. The second aspect is to create the combination of different elements that from our point of view are indispensable, when it comes to productivity, quality and price of products, which is basically what we have done, so far, with technology know-how together with fertilizers and pesticides. We should add to it seeds naturally; we don't do genetic engineering.

You have got some of the best technologies in waste water recycling and management. What is the kind of cooperation between India and Israel in this area?

We are very good at water management, even in very basic problems of leaks in existing infrastructure. Then there is purification. We recycle 75% of our waste water and bring it back to our cycle of agriculture. We're talking about a huge amount of money and a huge amount of water. And I should say another angle of it, when it comes to the solutions we can provide, is desalination. We can do things that are designed to take care of an individual farmer. Added to this, from the environmental point of view, the whole issue of purifying rivers, lakes and ponds, and on top of this, you can put the last layer of infrastructure projects. We have some good companies in it, private and governmental. Some of them are already active in India, and we hope that, if you look at it from more of a mid-term perspective of three-five years, this presence of Israeli water companies should be much more intensive.

You mentioned trade. What more can we add to the trade basket to boost trade? Where are we on the free trade negotiations?

We should be and could be very proud of ourselves because from \$180 million to \$5 billion; it is not a walk-in-the-park achievement. But we haven't even reached the outskirts of exhausting what we can do on these. Both sides strongly believe in a free trade agreement (FTA) as a platform to enlarge trade. We are going to have the fourth round of negotiations at the end of March in Jerusalem. Both governments have stated very clearly that it is their shared goal to sign the FTA by the end of 2012. Now the current composition of trade is 50% diamonds, then you have chemicals and machines, and the share of high-tech is growing. This is a good composition. But the minute you have the FTA, the scope of trade will at least double. Second, I believe the FTA, as is always the case, will change the composition (of trade). The share of high-tech, IT (information technology), pharmaceuticals and sophisticated agriculture will grow. The third thing, which is the most important, is that the minute you have the FTA, the interaction between private visitors in Israel and India will grow. You will have a larger number of flights between the two countries.

This was about civilian trade. What about military purchases?

Let me put it this way: we do not discuss these issues in the public domain, but we are very close friends. We strongly believe that if we are a friend of someone, the livelihood and well-being of this someone as a nation, society and individual is important.

There were reports of gas finds in the Mediterranean Sea, off the coast of Israel. Is energy a new frontier for cooperation between India and Israel?

Energy is an existential issue not only for India, it is also a serious existential issue for Israel as well. We have a source of energy of our own that belongs to us. It is almost a mind-boggling experience for us. This is a strategic issue by nature—what do we do with this, how do we deal with this, do we keep it for ourselves for our consumption, or do we export that, and if we export, how and where, in what quantities and for how long? These are strategic questions and there is very serious inter-agency work being done in Israel on the whole list of questions. Now obviously, once you define someone as your friend, you want to have a discussion on these issues. This is an open discussion. There are a lot of questions pending. We have to see where this heads.

Have any kind of talks happened? Between the two governments or energy companies?

I think we are still in a very initial stage. I cannot say talks have already started. But this is something that is floating in the air. There is a common ground for discussion. In addition to this, there is the whole universe of renewable energy. The most shining example of this in Israel is solar energy. We are quite rich with this form of energy and this is already happening; even I have seen some quite nice technology. For example, when it comes to communication towers, some of these use solar energy to provide energy for the towers so that generators become redundant, and so that is already another dimension of this and it is already happening on the ground between Israeli companies and your entities.

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