

## FICC injects vitality into Chinese-Israeli trade

**T**here is much to say about the importance of the People's Republic of China as a leader of the global economy, but as we look toward the future we must not forget the past.

In the past, China was an economic "giant", responsible for some major contributions to the development of civilization. Today, we can witness the return of China to the foreground of the world's economy and culture.

The PRC's share in global economy is constantly increasing. According to the International Monetary Fund (IMF), the Chinese economy is the second largest in the world (by country) and is expected to continue growing in the coming years, thanks to wise economic leadership of the Chinese government.

Even though the diplomatic relations between our two countries relatively young, the last 25 years can serve as a model of how good and positive relations can be formed within such a short period.

Twenty-five years ago, the total volume of trade between China and Israel was merely 50 million USD. In 2016, the total volume of the bilateral trade reached approximately 10 billion USD, two hundred times greater than 1992!

According to the Israeli Bureau of Statistics, Israel imported goods worth 5.9 billion USD from China in 2016 which makes China, Israel's second-largest market for imported goods (by country). Israel's imports from China are very diverse and include a wide range of industries such as textiles, electronics, consumer goods, industrial material, hi-tech and much more. Moreover, recent years have shown a dramatic increase in what Israel exports to China. In 2016, Israel exported to China goods worth 3.3 billion USD. Israeli exports to China include fertilizers, medical devices, advanced agricultural products, plastics, electrical equipment, optics, machinery and more.

Along with the development of trade relations, in recent years, we have also witnessed a significant increase in the number of Chinese investments in Israeli companies.

Among the acquisitions by Chinese corporations, we find well-known Israeli companies such as Tnuva (the leading manufacturer of dairy products) by Brightfood and Ahava (the leading manufacturer of Dead-Sea cosmetic products) by Fuson.

We are pleased to see a large number of Chinese business delegations coming to Israel every month, seeking joint ventures as well as investments and technology cooperation. Through the visits of Chinese businessmen in Israel, the visitors experience the Israeli culture, tradition and the rich history. The same goes for Israeli



CCPIT Chairmen's visit to Israel (June 2016) – the photo was taken in a business seminar in Tel Aviv. From left to right – Mr. Zhan Yongxin, Ambassador of the PRC to Israel, Mr. Uriel Lynn, President of FICC, Mr. Jiang Zengwei, Chairman of CCPIT, Mr. Arie Zief, Vice President of FICC.

business people that visit China frequently and are exposed to the culture, food and the opulent traditions and history. This plays a major role in enhancing the business atmosphere and the collaboration between businesspeople from both sides.

The relationship between our two countries is based not only on the trade volume, but more importantly on the quality and structure of the business associations.

Since the establishment of diplomatic relations between China and Israel, the Federation of Israeli Chambers of Commerce (FICC), Israel's oldest and largest business organization, has played a major role in promoting economic ties between the two countries.

FICC was established in 1919 and associates 6 regional chambers of commerce across Israel. Over the years, FICC became a part of a vast network of international chambers of commerce and 750 foreign Trade Promotion Organizations globally.

FICC is the counterpart of China's Council for the Promotion of International Trade (CCPIT), which is based in Beijing. Since 1992, CCPIT-FICC collaboration demonstrated a tremendous increase through the exchange of business delegations, reciprocal visits of high officials from both sides, assistance in business matching between Israeli and Chinese companies, settlement of commercial disputes and signing of cooperation agreements.

In 2015, Mr. Uriel Lynn, FICC's President, met with Mr. Jiang Zengwei, CCPIT's Chairman, during his visit to Beijing. In June 2016, Mr. Jiang Zengwei paid a reciprocal visit to Israel. He was invited as a guest of honor at a business seminar held by FICC with the participation of prominent Israeli companies.

Furthermore, FICC collaborates with various business organizations in all provinces of China, from Guangdong to Harbin and from Zhejiang to Yunnan. In 2016 FICC hosted about 25 delegations from different provinces and business establishments in China.



Signing an MOU with Shenzhen Federation of Industries (Sep 2015) – the photo was taken during a visit of FICC official delegation to the PRC. In the photo you can see Mr. Wang Zhaowen, President of Shenzhen Federation of Industries and Mr. Uriel Lynn, President of FICC.

On the macro economics level, FICC is currently involved in the negotiation of the Free Trade Area agreement (FTA) between Israel and China, under the leadership of the Israeli Ministry of Economy and Industry and its Chinese counterpart.

To conclude, there is no doubt that business relations between Israel and China will continue to grow, advancing both the Israeli and Chinese economies. We witness a strong desire by both governments to continue developing mutual trade and business relations. The contribution of FICC, CCPIT and additional business associations to this process is significant.

Finally, we would like to bless our colleagues in China and the Chinese people for the New Year of the Rooster, and wish you a successful and prosperous year.