



Rediscovering the Silk Route

An insight into Israel's trade with Asia

What was the silk route?

- The Silk Route was a network of interconnected trade routes that existed over 3000 years ago
- It connected Asia to the Mediterranean, parts of Europe, and North and Northeast Africa



What was traded then?

- Glassware
 - Slaves
 - Luxuries: Silk, perfumes, satin, musk
 - Medicines
 - Spices
 - Animals
- Culture
 - Knowledge
 - Ideas
 - Diseases

... and today?

The list and the trade routes are far more diverse, but are fundamentally the same

- Machinery
- Jewelry
- Goods
- Food
- Animals
- Clothes

...

- Culture
- Technology
- Ideas
- Businesses
- Diseases

...

Israel & Asia

The history connection

- **India:** Jews from Eretz Yisrael reached Indian shores as early as 562 BCE. The Hindu king Chandragupta gave them permission to live freely, build synagogues, and own property *without conditions attached as long as the world and moon exist.*
- **China:** Jewish settlers have been documented in China as early as the 7th or 8th century CE. The trade of certain Jewish merchants called *Radhanites* took them to China via the Silk Route through Central Asia and India

Israel & Asia

Today's trade connection

- Two of Israel's main export destinations are in Asia: China and India
- Two of Israel's main import origins are Japan and China

Let's focus on Israel's relations with India for now

Israel: as we see her today

- In the top 50 players of the world trading network
- Is an acknowledged technology power, ranking among the world's leaders in research and development spending and patents
- Playing the role of a technology mentor to China, India and Brazil

Israel & India

FTA pending

The stats:

Before FTA

- Annual Civilian Bilateral trade USD 4 billion
- USD 140 million mineral sector products, fertilizers etc. exports
- Exports of electronics equipment, capital, including warfare systems, < USD 10 million

After FTA

- Annual Civilian Bilateral trade USD **12-14 billion**
- **> USD 228 million** (up > 63%) of fertilizers etc.
- **To > USD 160 million**

Israel & India

FTA pending

The implication:

- The FTA makes it easier for Israel to export large quantities of machinery and other agricultural equipment to India.
- This machinery along with the technology and expertise can enable 3 things:
 - Easier and better quality production of agrarian products
 - Greater yield of agrarian products
 - Greater management of agrarian products

Israel & India

FTA pending
The Good News:

India

Israel

- Greater quality and quantity of crops produced
- Improvement in India's majority agrarian economy
- Increased investments from abroad and capital into the economy increases India's productive capacity and potential growth

- Increased returns on investments made as India is a developing agrarian economy
- Improves Balance of Trade
- Gains a larger, more dynamic market and trade partner
- Gains a large foothold in West Asia

Israel & India

FTA pending

The implication:

Along with the FTA, India's PMEAC (Prime Minister's Economic Advisory Council) is on the verge of enacting the **Food Security Act (FSA)**

- With improved techniques and advanced mechanisms from the FTA, agrarian yield in India will be of better quality and of greater quantity
- With the help of the FSA, food will be cheaper and more accessible to the Indian population, including the 75% of the population BPL.
- Food security in India improves 7 fold compared to the past 2 decades
- As the Indian Population BPL constitutes a third of the world's population BPL, **one third of the world will have greater food security**

Israel & India

Presence

India in Israel

- TCS
- SBI
- Tejas Networks

Israel in India

- Netafim: Irrigation
- Makhteshim Agan: Agrochemicals
- Teva: Pharmaceuticals
- Plasson: Plastic pipe fittings
- Plastro Gvat: Water Management
- Hazera Genetics: Vegetable seeds
- IDE: Desalination
- Amdocs, Ness: IT
- Rad data, Veraz: Telecom

Joint Ventures

- NaanDan Jain Irrigation
- Himalaya-Hollander Nussbaum:
Personal Health care
- Optime-care Group: Opticals

Israel & China

- The most significant and recent cooperation:
in *green technology*

In 2010, A Chinese manufacturing made a strategic investment of \$10.6 million in HelioFocus, an Israeli company that focuses on using solar energy to make traditional electricity production more efficient.

In April 2010 China's Chery Automobile announced an initiative with Israeli company Project Better Place to make new switchable-battery electric cars to be marketed in China.

The Israeli company SDE created a pilot plant in Guangzhou province that will give the region hydroelectric power using seawater wave technology.

Israel & Philippines

- Sharp increase in trade with Philippines in 2010: Tie ups in agriculture and IT.
- Major exports from Israel to the Philippines are electronic equipment (63%), fertilizers (12.6%), and medical and optical equipment (6%).
- The major imports are electronic equipment (63%) and processed animal food products (19%).

Israel & Japan

- Japan is one of Israel's most important import origins
- Israel's imports from Japan include automobiles, machinery, electrical equipments and chemical products.

Israel & Vietnam

- Israel sponsors training programs for Vietnamese technologist, and scientists, with more than 220 scholarships granted to date

Israel & South Korea

- Israel exports electro-optical equipment and security equipment to SK
- Israel imports cars, mobile handsets etc. from South Korea

Conclusion

- The Silk Route was about more than just trade of goods.
- It was also about cultural exchange and building stronger ties between countries, communities, religions and people.
- Let's hope that the ties forged today could lead to a unified Asia and a unified world.