

# COUNTRY PROFILE REPORT OF ITJ DIVISION, DGC&S INDIA-ISRAEL BILATERAL TRADE RELATIONS

## INTRODUCTION & BRIEF ECONOMIC OVERVIEW

1. Israel officially the State of Israel is a country in West Asia, occupying a narrow strip of territory on the eastern shore of the Mediterranean Sea. The country also has a narrow outlet to the Red Sea at the northern tip of the Gulf of Aqaba. All of Israel's land frontiers are with Arab countries, the longest being with Egypt to the west and with Jordan to the east. Lebanon lies to the north and Syria to the north-east. Israel is a member of the UN, WTO, Inter-American Development Bank and IOM.

2. Israel is considered the most advanced country in Western Asia and the Middle East in economic and industrial development. Israel has the second-largest number of start-up companies after the United States and the third-largest number of NASDAQ-listed companies. It is the world leader for number of start-ups per capita. As per IMF Article IV Consultation with Israel June 15, 2023, Executive Directors commended Israel's remarkable economic performance and strong external position, noting that economic growth would slow down this year as it returns to potential over the medium term. Given downside risks to the outlook, Directors recommended that policies be geared toward protecting fiscal buffers, reducing inflation, maintaining macro-financial resilience, and enhancing potential growth. They also cautioned that the uncertainty created by the proposed judicial reform could have a negative impact on the economy and called for a politically sustainable solution. Also, as in any country, maintaining the strength of the rule of law would be important for economic success.

**A snapshot of Israel's selected economic indicators is as under.**

**TABLE – 1**

**Israel: Selected Economic Indicators, 2018–2028**

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	Projections										
<b>Real Economy (percent change)</b>											
Real GDP	4.1	4.2	-1.9	8.6	6.5	2.5	3.4	3.4	3.6	3.7	3.8
Domestic demand	4.5	4	-3.4	9.9	7.4	2.5	3.7	3.8	3.9	4.1	4.1
Private consumption	3.6	4	-7.9	11.1	7.7	2.8	3.8	4	4	4	4.1
Public consumption	4	3	2.8	4.2	0.7	2.3	3.2	3.6	3.6	3.6	3.6
Gross capital formation	6.9	4.9	1.2	12.6	12.4	1.9	3.7	3.6	4.1	4.5	4.5
Gross fixed investment	7.8	3.3	-3.9	11.7	9	0.9	2.7	3.7	4.1	4.5	4.5
Foreign demand (contribution to growth)	-0.4	0.2	1.6	-1.3	-1	0.3	-0.3	-0.4	-0.4	-0.3	-0.3
Potential GDP	3.7	3.9	2	5.9	3.7	3.7	3.8	3.8	3.8	3.8	3.8
Output gap (percent of potential)	0.6	0.9	-3	-0.4	2.2	1.1	0.7	0.3	0.1	0	0
Unemployment rate (percent)	4	3.8	4.3	5	3.8	4	4	4	4	4	4
Overall CPI (percent change, average)	0.8	0.8	-0.6	1.5	4.4	4.5	3.5	2.5	2.1	2.1	2

Overall CPI (percent change, end of period)	0.8	0.6	-0.7	2.8	5.3	4.1	2.9	2.1	2	2	2
Core CPI (percent change, average)	0.9	0.6	-0.3	1.2	3.6	4.7	3.8	2.8	2.3	2.2	2.2
<b>Saving and investment balance</b>											
Gross national saving (percent of GDP)	26.8	26.8	29.3	29.1	29.9	29.9	29.7	29.6	29.5	29.5	29.5
Foreign saving (percent of GDP)	-3	-3.5	-5.5	-4.3	-3.7	-4.1	-3.9	-3.8	-3.6	-3.5	-3.4
Gross capital formation (percent of GDP)	23.8	23.3	23.8	24.8	26.3	25.8	25.8	25.8	25.9	26	26.1
<b>Public Finance (percent of GDP)</b>											
Central government											
Revenues and grants	25	24.2	22.4	26.2	26.7	24.6	24.2	23.8	23.8	23.8	23.8
Total expenditure	27.9	27.9	33.6	30.5	26.2	25.6	25.3	25.7	26	26.2	26.2
Overall balance	-2.9	-3.6	-11	-4.4	0.6	-0.9	-1	-1.9	-2.2	-2.3	-2.4
Structural balance 1/	-3.1	-3.9	-10	-4.2	0	-1.2	-1.2	-2	-2.2	-2.3	-2.4
Interest payments	2.2	2.1	2.1	2.1	1.9	1.9	1.8	1.7	1.7	1.8	1.8
General Government											
Overall balance	-3.6	-3.9	-11	-3.7	0.6	-1.1	-1.6	-2.4	-2.7	-3	-3.1
Structural balance 1/	-3.8	-4.2	-9.5	-3.5	-0.2	-1.5	-1.9	-2.5	-2.7	-3	-3.1
Debt	59.9	58.8	70.6	68	61	57.9	55.7	55	54.7	54.6	54.5
<i>Of which:</i> Foreign currency external debt	8.4	7.7	11.3	9.4	8.8	7.7	6.1	5.7	5.2	4.6	4.2
<b>Balance of Payments (percent of GDP)</b>											
Current account balance	3	3.5	5.5	4.3	3.7	4.1	3.9	3.8	3.6	3.5	3.4
Goods and services balance	0.9	2	4.4	3.9	3.1	3.1	2.9	2.8	2.6	2.5	2.3
Exports of goods and services 2/	29.9	29.3	27.7	29.5	31.9	29.7	28.9	28.7	28.5	28.2	28.1
Real growth rate (percent)	5.7	3.7	-2.7	14.6	8.3	-1.9	1.6	3.3	3.4	3.5	3.5
Export prices growth (percent)	1.4	0.9	-0.2	10.4	6.5	-2.4	-0.6	0.2	0.2	0.4	1
Imports of goods and services 2/	29	27	23.2	25.5	28.6	25.6	24.8	24.6	24.6	24.5	24.5
o/w Oil imports (billions of USD)	9.7	9.2	5.5	9	13.3	10.4	10.1	10.2	10.3	10.4	10.6
Real growth rate (percent)	7.2	3.2	-8.1	20.6	11.7	-2.9	2.4	4.6	4.6	4.5	4.5
Import prices growth (percent)	3.7	-2.7	-4.7	8.4	7.1	-1.8	-1.1	-0.6	-0.5	-0.1	0.6

Foreign reserves (eop, USD billions)	115.3	126	173	213	194	199	208	217	226	237	249
<b>Exchange Rate</b>											
NIS per USD (period average)	3.59	3.56	3.44	3.23	3.36	...	...	...	...	...	...
Nominal effective exchange rate (2010=100)	118.6	124	129	135	140	...	...	...	...	...	...
Real effective exchange rate (2010=100)	106.3	109	112	114	115	...	...	...	...	...	...
Terms of trade (2010 = 100)	95.3	98.7	99.5	93.2	87.5	...	...	...	...	...	...
Sources: Bank of Israel; Central Bureau of Statistics; Haver Analytics; and IMF Staff estimates and projections. 1/ Percent of potential GDP. 2/ National Accounts data.											

## FOREIGN TRADE

3. As per recent available inputs on WITS (World Integrated Trade Solution), the four major merchandise export partners of Israel are United States, China, India and United Kingdom. On the other hand four major import partners of Israel are China, United States, Germany and Switzerland. Major five exported goods of Israel are (i) Diamonds non-industrial nes excluding mounted (ii) Monolithic integrated circuits, digital, (iii) Other fertilizers, nes, (iv) Natural gas in gaseous state and (v) Transmission apparatus, for radioteleph incorpo. On the other hand major five imported goods of Israel are (i) Petroleum oils and oils obtained from bituminous, (ii) Diamonds non-industrial nes excluding mounted (iii) Automobiles nes including gas turbine powered, (iv) transmission apparatus, for radioteleph incorpo and (v) Petroleum oils, etc, (excl. crude); preparation.

4. Israel's total exports in 2020 were of the order of USD 50,153 million. It scaled up to USD 60,255 million in 2024. Exports from Israel increased by 20.63% in the year 2022 followed by 17.44% decrease in 2023. During the period from 2020 to 2024, the annual average compound rate of growth of exports was 4.69%.

5. Israel's total imports in 2020 were of the order of USD 69,261 million and which touched USD 91,852 million mark in 2024. Imports from Israel increased by 33.06% in the year 2021 and experienced a decline of 22.82% in 2023. During the period from 2020 to 2024, the annual average compound rate of growth of imports was 7.31%.

6. Israel runs an overall Balance of Trade deficit from 2020 to 2024 and that was USD 31,597 million in 2024. During the period from 2020 to 2024, the annual average compound rate of growth of total volume of trade was 6.24%.

A snapshot of Israel's overall Trade Statistics is presented in **Table 2 and Figure 1 below**.

**TABLE - 2**

**ISRAEL'S TOTAL EXPORTS AND IMPORTS, VOLUME OF TRADE AND BALANCE OF TRADE  
BETWEEN 2020 TO 2024**

(Figures in USD Million)

Year	Exports	Percentage Growth in Exports	Imports	Percentage Growth in Imports	Volume of Trade	Percentage Growth in Vol. of Trade	Balance of Trade
2020	50153		69261		1,19,414		-19108
2021	60160	19.95	92159	33.06	1,52,319	27.56	-31999
2022	72569	20.63	107758	16.93	1,80,327	18.39	-35189
2023	59916	-17.44	83163	-22.82	1,43,079	-20.66	-23247
2024	60255	0.57	91852	10.45	1,52,107	6.31	-31597

**Annual  
Compound  
Growth  
Rate**

**4.69**

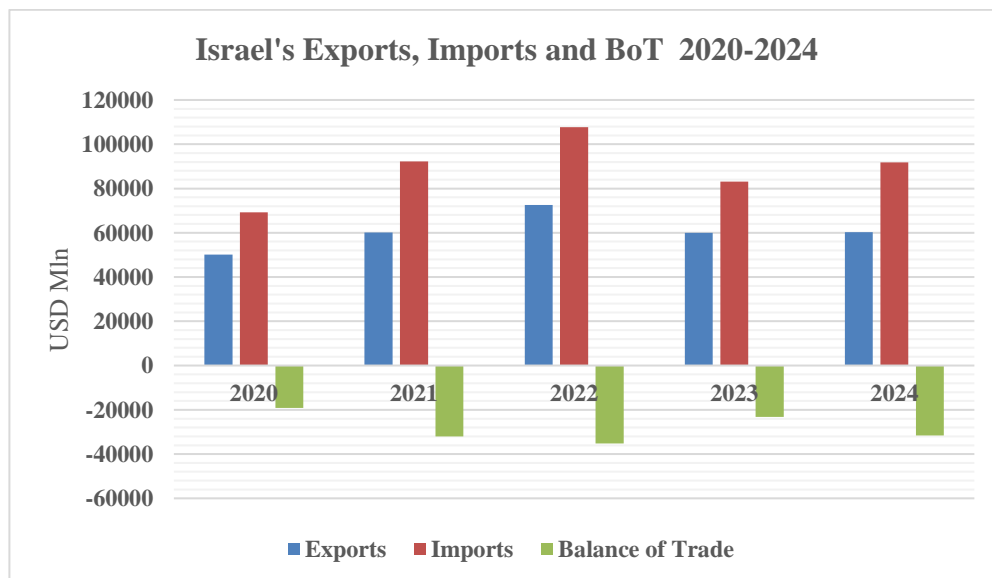
**7.31**

**6.24**

**NOTE : Figures relate to calendar year (January to December)**

**SOURCE : UN COMTRADE PUBLICATION**

**Figure - 1**



## BILATERAL TRADE WITH INDIA

### Merchandise Trade

7. India and Israel are strategic partners. The bilateral political ties are warm and forward-looking. In recent years, bilateral trade between India and Israel, has diversified into several sectors such as pharmaceuticals, agriculture, IT and telecom, and homeland security. India continues to be a focus country for the Israeli Government's increased trade efforts. Moreover, the FDI inflows into India reached USD 286.15 million during April 2000-September 2023. Israel ranked 49th as an export destination of India in FY 2024-25. India's exports to Israel was only 0.49 % of its total export value in FY 2024-25. In the same financial year Israel was the 48th major import partner of India in FY 2024-25. Almost 0.23% of India's total international trade value was between India and Israel as recorded in FY 2024-25 as per DGCI&S data base.

8. Indo-Israel total volume of bilateral trade in FY 2020-21 was of the order of USD 4,661.68 million. It has scaled maximum USD 10,774.42 million in FY 2022-23. The annual compound growth rate of total volume of trade during the period from FY 2020-21 to FY 2024-25 has been of the order of -4.92%.

9. It appears from the available figures that between 2020-21 and 2024-25, India had a surplus Balance of Trade with Israel. Exports from India to Israel steeply increased by 77.54% in FY 2021-22 followed by another 76.21% increase in FY 2022-23 over FY 2021-22. The annual average compound rate of growth of Exports was -5.61%. On the other hand, imports from Israel to India remarkably increased by 56.81% in FY 2021-22. During the period from 2020-21 to 2024-25, the annual average compound rate of growth of imports was -3.99%.

A snapshot of India's merchandise trade statistics w.r.t. Israel is presented in **Table 3 & Figure 2**

**TABLE - 3**

**INDIA'S MERCHANDISE EXPORTS & IMPORTS w.r.t. ISRAEL  
FY 2020-2021 to 2024-2025**

(Value in USD Million)

Year	Exports from India to Israel	Percentage Growth in Exports	Imports from Israel to India	Percentage Growth in Imports	Volume of Trade	Percentage Growth in Vol. of Trade	Balance of Trade
2020-21	2701.49		1960.19		4661.68		741.30
2021-22	4796.13	77.54	3073.79	56.81	7869.92	68.82	1722.34
2022-23	8451.23	76.21	2323.19	-24.42	10774.42	36.91	6128.04
2023-24	4527.08	-46.43	2007.21	-13.60	6534.29	-39.35	2519.87
2024-25	2144.76	-52.62	1665.50	-17.02	3810.26	-41.69	479.26
<b>Annual Compound Growth Rate</b>							
		<b>-5.61</b>			<b>-3.99</b>		
						<b>-4.92</b>	

**NOTE** : Figures relate to Financial Year (April to March)

**SOURCE** : DGCI&S, M/o C&I

Figure 2



10. Additionally, from Tables 4 & 5 presented below the following are stated:

A. (i) **Pearl, Precs. Semi-Precs. Stones**, (ii) **Other Misc. Engineering Items** and (iii) **Rice-Basmati** occupied the top three slots in India's exports to Israel in the year 2024-25. **Pearl, Precs. Semi-Precs. Stones** occupied the highest share of 27.38% in total exports from India to Israel in 2024-25.

B. (i) **Pearl, Precs, Semi-prec's Stones**; (ii) **Other Misc. Engineering Items** and (iii) **Electronic Components** were the three major commodities in India's imports list from Israel in the year 2024-25, India imports a significant amount of **Pearl, Precs, and Semi-prec's Stones** from Israel with a share of 20.22% of total imports from Israel recorded in 2024-25.

**TABLE -4**

**INDIA'S MAJOR ITEMS OF MERCHANDISE EXPORTS TO ISRAEL  
2020-2021 TO 2024-2025 AND THEIR GROWTH RATES**

(Value in USD Million)

Sl. No.	Name of the Merchandise Commodities	Value of Exports					Annual Growth Rates			
		2020-21	2021-22	2022-23	2023-24	2024-25	21-22 over 2020-21	22-23 over 2021-22	23-24 over 2022-23	24-25 over 2023-24
<b>1</b>	<b>Pearl, Precs. Semi-Precs. Stones</b>	<b>837.76</b>	<b>1465.59</b>	<b>1268.98</b>	<b>783.47</b>	<b>587.29</b>	<b>74.94</b>	<b>-13.42</b>	<b>-38.26</b>	<b>- 25.04</b>
	Share in total export	31.01	30.56	15.02	17.31	27.38				
<b>2</b>	<b>Other Misc. Engineering Items</b>	<b>90.99</b>	<b>114.75</b>	<b>136.47</b>	<b>163.26</b>	<b>105.77</b>	<b>26.11</b>	<b>18.93</b>	<b>19.63</b>	<b>- 35.21</b>
	Share in total export	3.37	2.39	1.61	3.61	4.93				
<b>3</b>	<b>Rice-Basmati</b>	<b>52.38</b>	<b>50.22</b>	<b>64.46</b>	<b>59.53</b>	<b>100.53</b>	<b>-4.12</b>	<b>28.36</b>	<b>-7.65</b>	<b>68.87</b>
	Share in total export	1.94	1.05	0.76	1.31	4.69				
<b>4</b>	<b>Consumer Electronics</b>	<b>97.88</b>	<b>117.66</b>	<b>118.94</b>	<b>59.64</b>	<b>83.85</b>	<b>20.21</b>	<b>1.09</b>	<b>-49.86</b>	<b>40.59</b>
	Share in total export	3.62	2.45	1.41	1.32	3.91				
<b>5</b>	<b>Ceramics and Allied Products</b>	<b>39.43</b>	<b>38.94</b>	<b>67.01</b>	<b>85.21</b>	<b>80.31</b>	<b>-1.24</b>	<b>72.09</b>	<b>27.16</b>	<b>-5.75</b>
	Share in total export	1.46	0.81	0.79	1.88	3.74				
<b>6</b>	<b>Cotton Fabrics, Madeups Etc.</b>	<b>54.44</b>	<b>66.67</b>	<b>66.73</b>	<b>57.25</b>	<b>71.11</b>	<b>22.47</b>	<b>0.09</b>	<b>-14.21</b>	<b>24.21</b>
	Share in total export	2.02	1.39	0.79	1.26	3.32				
<b>7</b>	<b>RMG Cotton Incl. Accessorices</b>	<b>39.49</b>	<b>58.42</b>	<b>66.23</b>	<b>56.15</b>	<b>71.02</b>	<b>47.94</b>	<b>13.37</b>	<b>-15.22</b>	<b>26.48</b>
	Share in total export	1.46	1.22	0.78	1.24	3.31				
<b>8</b>	<b>Aluminium,Products of Aluminium</b>	<b>46.47</b>	<b>93.86</b>	<b>49.16</b>	<b>42.37</b>	<b>67.13</b>	<b>101.98</b>	<b>-47.62</b>	<b>-13.81</b>	<b>58.44</b>
	Share in total export	1.72	1.96	0.58	0.94	3.13				
<b>9</b>	<b>Aircraft, Spacecraft and Parts</b>	<b>45.29</b>	<b>50.29</b>	<b>37.07</b>	<b>44.06</b>	<b>54.28</b>	<b>11.04</b>	<b>-26.29</b>	<b>18.86</b>	<b>23.20</b>
	Share in total export	1.68	1.05	0.44	0.97	2.53				
<b>10</b>	<b>Telephone Instruments</b>	<b>13.67</b>	<b>31.75</b>	<b>35.37</b>	<b>26.07</b>	<b>44.94</b>	<b>132.26</b>	<b>11.40</b>	<b>-26.29</b>	<b>72.38</b>
	Share in total export	0.51	0.66	0.42	0.58	2.10				
	<b>Total export to ISRAEL</b>	<b>2701.49</b>	<b>4796.13</b>	<b>8451.23</b>	<b>4527.08</b>	<b>2144.76</b>	<b>77.54</b>	<b>76.21</b>	<b>-46.43</b>	<b>- 52.62</b>

**NOTE : Figures relate to each Financial Year (April to March)**

**SOURCE : DGCI&S, M/o C&I**

**TABLE -5**

**INDIA'S MAJOR ITEMS OF MERCHANDISE IMPORTS FROM ISRAEL  
2020-2021 TO 2024-2025 AND THEIR GROWTH RATES**  
(Value in USD Million)

Sl. No.	Name of the Merchandise Commodities	Value of Imports					Annual Growth Rates			
		2020-21	2021-22	2022-23	2023-24	2024-25	21-22 over 2020-21	22-23 over 2021-22	23-24 over 2022-23	24-25 over 2023-24
<b>1</b>	<b>Pearl, Precs, Semi-prec Stones</b>	<b>650.06</b>	<b>637.37</b>	<b>1320.27</b>	<b>761.58</b>	<b>336.73</b>	<b>-1.95</b>	<b>107.14</b>	<b>-</b>	<b>-55.79</b>
	Share in total imports	40.81	32.52	42.95	32.78	20.22				
<b>2</b>	<b>Other Misc. Engineering Items</b>	<b>26.71</b>	<b>51.96</b>	<b>108.18</b>	<b>65.53</b>	<b>152.94</b>	<b>94.53</b>	<b>108.20</b>	<b>-</b>	<b>133.39</b>
	Share in total imports	1.68	2.65	3.52	2.82	9.18				
<b>3</b>	<b>Electronic Components</b>	<b>72.70</b>	<b>124.16</b>	<b>143.76</b>	<b>165.67</b>	<b>145.50</b>	<b>70.78</b>	<b>15.79</b>	<b>15.24</b>	<b>-12.17</b>
	Share in total imports.	4.56	6.33	4.68	7.13	8.74				
<b>4</b>	<b>Fertilizers Manufactured</b>	<b>152.56</b>	<b>128.37</b>	<b>202.44</b>	<b>401.88</b>	<b>133.28</b>	<b>-15.86</b>	<b>57.70</b>	<b>98.52</b>	<b>-66.84</b>
	Share in total import	9.58	6.55	6.59	17.30	8.00				
<b>5</b>	<b>Electronics Instruments</b>	<b>70.65</b>	<b>79.60</b>	<b>98.72</b>	<b>89.33</b>	<b>112.98</b>	<b>12.67</b>	<b>24.02</b>	<b>-9.51</b>	<b>26.47</b>
	Share in total import	4.44	4.06	3.21	3.85	6.78				
<b>6</b>	<b>Telecom Instruments</b>	<b>103.95</b>	<b>294.82</b>	<b>299.88</b>	<b>72.38</b>	<b>70.28</b>	<b>183.62</b>	<b>1.72</b>	<b>-</b>	<b>-2.90</b>
	Share in total import	6.53	15.04	9.76	3.12	4.22				
<b>7</b>	<b>Aluminium,Products of Aluminium</b>	<b>30.62</b>	<b>31.71</b>	<b>48.32</b>	<b>44.88</b>	<b>65.19</b>	<b>3.56</b>	<b>52.38</b>	<b>-7.12</b>	<b>45.25</b>
	Share in total import	1.92	1.62	1.57	1.93	3.91				
<b>8</b>	<b>Agro Chemicals</b>	<b>59.67</b>	<b>65.03</b>	<b>83.06</b>	<b>98.05</b>	<b>62.97</b>	<b>8.98</b>	<b>27.73</b>	<b>18.05</b>	<b>-35.78</b>
	Share in total import	3.75	3.32	2.70	4.22	3.78				
<b>9</b>	<b>Medical and Scientific Instrum.</b>	<b>33.92</b>	<b>39.41</b>	<b>45.74</b>	<b>52.48</b>	<b>52.18</b>	<b>16.19</b>	<b>16.06</b>	<b>14.74</b>	<b>-0.57</b>
	Share in total import	2.13	2.01	1.49	2.26	3.13				
<b>10</b>	<b>Consumer Electronics</b>	<b>70.17</b>	<b>135.98</b>	<b>133.82</b>	<b>77.06</b>	<b>44.92</b>	<b>93.79</b>	<b>-1.59</b>	<b>-</b>	<b>-41.71</b>
	Share in total import	4.41	6.94	4.35	3.32	2.70				
	<b>Total import from ISRAEL</b>	<b>1592.70</b>	<b>1960.19</b>	<b>3073.79</b>	<b>2323.19</b>	<b>1665.50</b>	<b>23.07</b>	<b>56.81</b>	<b>-</b>	<b>-28.31</b>

**NOTE : Figures relate to each Financial Year (April to March)**

**SOURCE : DGCI&S, M/o C&I**

**“NOTICE”**

**Rights of permission for reproduction in part or entirely of these official papers published in the Indian Trade Journal is reserved by the Directorate General of Commercial Intelligence & Statistics, Kolkata – 700 107.**