

## Bilateral Trade Relationship between Taiwan and Israel

### I. Bilateral trade relations await comprehensive development

In 2010, Taiwan saw a GDP of USD 43.06 billion, making it the 23<sup>rd</sup> largest economy in the world, with GDP per capita at 18,700 USD and gross foreign trade at USD 525.8 billion, ranking 16<sup>th</sup> in foreign trade export value and 17<sup>th</sup> in foreign trade import value. In the same year, Israel saw a GDP of USD 217.3 billion, making it the 41<sup>st</sup> largest economy in the world, with GDP per capita at USD 28,504 and gross foreign trade at USD 109.5 billion, ranking 48<sup>th</sup> globally in foreign trade export value and 43<sup>rd</sup> globally in import value. As a major trading country located at the geographical hub of their respective regions, both Taiwan and Israel have an extensive base in industry and technology, adopt market economy policies, and pursue the goal of liberalization. However, bilateral trade value grossed in 2010 at a mere USD 1.227 billion, accounting for 1.1% and 0.2% of foreign trade respectively of Israel and Taiwan. Up till September 2011, the value of investment from Taiwan in Israel totaled at USD 390.4 million, while that from Israel in Taiwan totaled at USD 190.2 million, both accounting for a minimal proportion of the FDI of each. This is disproportional to the strength in trade and the circumstances of both. Hence, active promotion of bilateral trade and enhancement in investment relations between the two countries are advisable. Taiwan welcomes the establishment of the Taiwan-Israel Business Association on 11 August 2011, and the signing of a mutual visa waiver agreement on the same date. Taiwan believes that the two countries will pick up the pace in promoting their trade and investment relations.

### II. Signing an FTA is the most effective way for the two countries to promote bilateral trade and investment relations

The two countries share common niches, outstanding talent and complementary industries, such as, among service industries, finance, telecommunications, engineering, and wholesale, and a basis for cooperation in manufacturing such as information and communications technology, photoelectric, and environmental engineering. Israel specializes in high-tech developments, while Taiwan specializes in designing, production, management, and marketing. An FTA, once signed between the two countries, will not only expand the scale of the industries, but also greatly enhance bilateral trade and investment relations, while encouraging businesses from both countries to form alliances in growing their markets in China, Asia-Pacific, the Middle East, Africa, Europe, and the Americas.