CHINA & INDIA: ISRAEL CULTIVATING STRATEGIC RELATIONSHIPS WITH BOOMING ASIAN TIGERS

Contents: (Please Note: articles may have been shortened in the interest of space. Click link for the complete article – Ed.)

Asia is Becoming Israel's New Frontier - Here's Why: Jonathan Adelman & Asaf Romirowsky, Forbes, May 14, 2013—When we think of Israel, we usually think of the Middle East (its neighborhood), North America (its close ally the United States) and Europe (the long history of Ashkenazi Jews). Rarely do we think about Israel and Asia, even less about Asia as Israel’s new frontier.

Netanyahu in China to Cultivate Relations with Increasingly Relevant ‘Sleeping Giant’: Alex Traiman, JNS, May 6, 2013—As tensions brewed along Israel’s northern border with Syria, Israeli Prime Minister Benjamin Netanyahu left the country for highly anticipated talks with leaders of one of the world’s superpowers. To the surprise of many who closely follow Israeli geopolitics, that superpower is not the United States, but China.

India Seeks Water Management Lessons From Israel: Debra Kamin, New York Times, June 12, 2013—As Indian municipal officials and water engineers search for ways to provide cleaner water to their nation’s 1.2 billion people, they are increasingly turning to Israel, which has solved many of the same problems that India is now experiencing.

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ASIA IS BECOMING ISRAEL'S NEW FRONTIER - HERE'S WHY
Jonathan Adelman & Asaf Romirowsky
Forbes, May 14, 2013

When we think of Israel, we usually think of the Middle East (its neighborhood), North America (its close ally the United States) and Europe (the long history of Ashkenazi Jews). Rarely do we think about Israel and Asia, even less about Asia as Israel’s new frontier. We don’t think of Asia as playing any significant role in Israel’s evolution given the tiny Asian Jewish population, the lack of significant Jewish history in Asia, and minimal relations between Israel and most Asian countries for the first 40 years (1948-1988) of Israel’s existence. Yet, last year Israel called 2012 “the year of Asia in Israel.” The Israeli government sponsored an Asian Science Camp attracting over 220 Asian students to join nearly 40 Israeli students for a week long program of lectures by world class Israeli researchers.

How did such a gathering ever happen? Many factors propelled Israel-Asian relations to the forefront. Historically, Asia largely lacks the anti-Semitism that was so prominent in Europe and also the Middle East. Geographically, Israel is in West Asia, only four hours by air from India and 11 hours by air from China. Historically, Israel, like most Asian states, is a new state born after World War II after a struggle with a Western colonial power, in this case Great Britain.

Economically, Israel’s rapid transition from Third World power to First World “start-up nation” echoes the great transformation underway in such Asian countries as India, China and the Four Tigers. Scientifically, Israel has emerged as a high-tech superpower (with Tel Aviv rated #2 in the world for its startup companies,
thereby very attractive to Asian high tech [powers in Bangalore, Xinchu Park and Beijing Silicon Valleys]. Politically, the growing threat of Islamism in the regime draws many of these countries towards a country that is in the forefront of fighting this threat to governments around the world. And, militarily, the Israeli military, a world leader in anti-missile technology (Iron Dome), UAVs (which they sell even to the Russians) and 5 billion dollars of military exports, is attractive to Asian countries developing their own militaries as they rise economically. Finally, in intelligence matters, which are so critical to many developing countries, Mossad, with its strong human intelligence capabilities, is attractive for helping these countries overcome foreign threats to their rise to power.

Most of all, Israel has developed strong relations with the two Asian countries in the BRICs—China and India. Both of these countries, which had no diplomatic relations with Israel before 1992, now have major Israeli embassies in their capitals (Beijing and New Delhi) as well as consulates in their leading cities (Shanghai and Mumbai).

Militarily, Israel is the second biggest arms exporter to India today, and sold it the Phalcon AIWACS system for a billion dollars back in 2004. In turn India in 2004 launched a 300 kilogram Israeli satellite in orbit which dramatically increased Israeli intelligence gathering capabilities against the Iranian nuclear program with clear images in all kinds of weather. At one time in the ‘90s Israel was the second biggest arms exporter to China (4 billion dollars worth of exports). In turn Israeli intelligence works closely with Indian intelligence against radical Islamic threats and is on friendly terms with its Chinese counterparts.

Economically, Israel can claim $5 billion worth of trade with India and over $8 billion dollars with China. It hopes to boost trade with the world’s second largest economy by GDP to $10 billion in the coming years. Back to India, Israel is working with it on the framework for a Free Trade Zone that within five years could triple annual exchange between producers in each country to $15 billion. Politically, Israel supports India in its fight over Kashmir and against Pakistan, while China also battles Islamic fundamentalism in Xinjiang Province.

Outside the two BRIC members, Israel has developed diplomatic relations with a large range of Asian countries. It has extensive trade with a number of these nations—ranging from $2 billion with Japan and South Korea, to several hundred million dollars worth of trade with Vietnam. It also has growing economic and educational ties with Singapore. Israel has developed strong relations too with a series of newly independent states formerly part of the Soviet Union, including Uzbekistan and Azerbaijan.

Not all of these relations have been easy. Few Asian states face serious existential threats as Israel has and continues to face. And it can’t be forgotten that some of them are Muslim states (as Pakistan and Indonesia), plus very few have attained Israel’s strong First World economy ($33,000 GNP/person) status.

But it seems as China and India have risen economically, so has Israel’s global status. Israeli Prime Minister Netanyahu’s four day to visit to China this week highlights the importance of China to Israel. Excitingly for Israel, the importance is mutual. As Chinese Ambassador to Israel Gao Yanping stated ahead of the visit, “China views its relationship with Israel with tremendous importance.” Truly Asia is the new frontier for Israel in the 21st century.

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As tensions brewed along Israel’s northern border with Syria, Israeli Prime Minister Benjamin Netanyahu left the country for highly anticipated talks with leaders of one of the world’s superpowers. To the surprise of many who closely follow Israeli geopolitics, that superpower is not the United States, but China.

Netanyahu’s five-day trip to China, which began Sunday [May 5], presents Israel with numerous economic and diplomatic opportunities during a time of growing global and regional instability. “Well it’s I think really obvious to any observer of what is going on in the world, these past decades, that China’s importance in the world is growing from year to year. And I think it’s probably correct to say at this stage that there are two superpowers: the United States and China,” Moshe Arens, former Israeli Defense Minister and Foreign Minister told JNS.org.

Netanyahu may have considered delaying the trip, just days after Israel reportedly twice-bombed Syrian targets, allegedly storing sophisticated Iranian weaponry on its way to the Hezbollah terrorist organization in Lebanon.

Choosing to continue with the pre-scheduled visit may signal that tensions are not expected to escalate further with Syria in the near-term. But more importantly, the trip signals that Netanyahu did not wish to insult the Chinese, after twice canceling trips to a country that is growing increasingly important to Israel.

“It is important for us to have good, very good relations with China, better relations than what we have today,” Arens said. “I think considering China’s status in the world today, it is appropriate and I would say probably natural for China to play a bigger role in Middle Eastern affairs than it has in the past.”

“China has been a sleeping giant for a long time, but in the last 20 years, as its economy began to grow, its relevance started to become more and more important,” Carice Witte, Executive Director of SIGNAL (Sino-Israel Global Network and Academic Leadership), an institute working to advance Israel-China relations, told JNS.org.

The economic decline of Europe and the U.S., and changing balances of diplomatic and military power, have necessitated that Israel develop additional allies. “In 2008 when the sub-prime debacle happened, Israeli business people began to realize they need to spread their interests and investment and their outreach beyond the U.S. and EU,” Witte said. Netanyahu on Monday in Shanghai said, “I came to open doors for Israeli companies. We’re interested in a small piece of a giant market.”

But economics are only one piece of the China-Israel equation. “Among several reasons, China is very significant to Israel because it has a vote in the Security Council,” Witte told JNS.org. And China has taken a growing interest in the Middle East, a region critical to China’s economic stability. China has grown tremendously as a manufacturing power over the past several decades. And one of the fuels powering that growth is oil. “The two nations providing most of China’s oil are Saudi Arabia and Iran. So the area of the Middle East is core for China’s domestic policy, for China’s domestic economy. Stability in the region is essential,” Witte said. Disturbances in the flow of oil, or rises in prices could have a significant impact on China’s economy. According to Witte, China has watched its investments in Libya and now Syria decline due to the events of the “Arab Spring.”

While China wants tensions between Israel and Iran to cool, the Chinese see Israel as one of the most stable and forward-thinking countries in the region. The Chinese have been particularly impressed with Israel’s rapid growth in an often-hostile environment.

In the past two decades—with both countries experiencing significant economic growth—Israel and China have begun to recognize that perhaps they share more common interests than they did in the past. Yet it has been historically difficult for the two countries to develop strong bilateral relations.

According to Arens, Israel’s relationship with the U.S. may have impacted China-Israel relations, particularly during the Cold War.

“The United States was seen as a backer of Israel, as a very close ally of Israel, and almost naturally then, I think in those days China would take a position that would back the Palestinians, or back Arab nations,” Arens
said. “China has a strong 60-year relationship with all the Arab nations and Iran. And they have been learning about the Middle East and Israel only through them for all that period of time. They're limited to what the Arabs are telling them,” Witte added.

At the same time, China has virtually no history of anti-Semitism, meaning that the Chinese are open to the Israeli point of view. According to Witte, Israel has a unique opportunity and even an imperative to change the way the Chinese look at the Middle East—in a way that is more favorable to Israel’s position. Doing so would have mutual benefits.

But strengthening the relationship has not always been simple. “There’s an enormous cultural gap,” Witte said. “The Jews have lived in and amongst the European cultures for 2,000 years. There is no common religion in China. There’s no Judeo-Christian history. There’s no AIPAC (American Israel Public Affairs Committee) of China, there’s no real Jewish community. So they don’t have any point of reference for many of the issues that we’re dealing with in Israel and in our region.”

Netanyahu’s trip to China will focus primarily on strengthening economic trade. Currently the two countries exchange approximately $8 billion in goods per year, the majority of which are Chinese exports to Israel. In addition to seeking an increase in trade as well as greater balance between imports and exports, Netanyahu is likely to try and reach understandings regarding Iran, and its illicit nuclear program.

The good news is that shifting China’s perspectives may not be as difficult in China as in other countries around the world. “I'm always asked, ‘How do you make an impact on a country of 1.4 billion people?’” Witte told JNS.org. “The fact is; you can make a difference if you understand China, and if you know how to target your resources. You can make an enormous difference because China works top-down. You don’t need to reach the whole country.”

For Netanyahu, developing better relations with China’s leaders could create tremendous benefits for Israel’s future.

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**INDIA SEEKS WATER MANAGEMENT LESSONS FROM ISRAEL**

*Debra Kamin*

*New York Times*, June 12, 2013

As Indian municipal officials and water engineers search for ways to provide cleaner water to their nation’s 1.2 billion people, they are increasingly turning to Israel, which has solved many of the same problems that India is now experiencing. Last week, a delegation of 16 high-ranking Indian officials of the water authorities of Rajasthan, Karnataka, Goa and Haryana arrived in Israel for a seven-day visit. They visited wastewater treatment plants, met with some of Israel’s leading environmentalists and agronomists and listened to explanations of some of the newest technologies that keep this desert country green.

“In India, we have a major crisis of water,” said Rajeev Jain, an assistant engineer in the water department of Rajasthan. “Our problem is the same that Israel faced,” he said, noting that Rajasthan, home to 63 million people, has a similar climate and groundwater resources that are meager at best. “But Israel is an expert at successfully implementing technologies that we aren’t able to implement. So we have come here to understand which technologies they use and how they manage these things.”

The visit was jointly arranged by the governments of India and Israel and managed by the Weitz Center for Development Studies and Israel NewTech, the national sustainable water and energy program of Israel’s Ministry of Industry, Trade and Labor. Israel has been a global leader in the fields of drip irrigation and desalination, two ventures for which it has contributed groundbreaking technology. These technologies helped the country of eight million pull itself out of a severe water crisis in the early 2000s.
While Israel’s primary investments in India remain in the realm of diamonds and information technology, more and more shekels are being invested in Indian water systems. The two countries began working with each other on water technology in the late 1990s. In 2006, Israeli and Indian ministers of agriculture signed a long-term cooperation and training deal, which has since been supervised by field experts from Mashav, an international development program of Israel’s Foreign Ministry. Next came a $50 million shared agriculture fund between both nations, focusing on dairy, farming technology and micro-irrigation. And Netafim, the Israeli company that pioneered drip irrigation, has created new technologies in Jharkhand specifically calibrated for the small family farms scattered across India.

In 2011, India and Israel signed an agreement to foster cooperation on urban water systems, which came after more than a decade of joint research, development and shared investment in the countries’ respective water technologies. Israeli officials and green technology specialists saw last week’s visit as a preview to the influx of Indian officials they expect in October for the country’s annual conference on water technology and environmental control.

Oded Distel, director of NewTech, said the most significant lesson Israel can teach India is the Middle Eastern country’s unique approach. “It’s a system that balances the demand and available resources among the various sectors: municipal, industrial and agricultural,” he said. Several delegates said they were shocked to learn how expensive water is in Israel and how all citizens, regardless of income or geographic region, must pay uniform tariffs and fees for the clean drinking water that flows into their taps.

It would be nearly impossible to adopt a similar model in India, Mr. Jain said. In India, much of the water generated by cities is illegally siphoned off by residents or lost to leaks, and in rural areas, most farmers get their water at no cost. “In India, they consider water a gift from God. And everything God has given, no one can charge for it,” he said. “It is not easy to frame new policies, because we have to go to our assembly and Parliament first.”

But he said he was optimistic that some of the Israeli techniques for salvaging wastewater could be transferred to his home region. “In India, there are a lot of unauthorized connections to the water system, so maybe we can learn how to control the wastewater out of these connections,” he said. On June 5, the group traveled to Kibbutz Naan, a cooperative community that is the largest in Israel, to see the manufacturing operations for NaanDanJain Irrigation, the world’s foremost irrigation solutions company. It is also a joint venture of Kibbutz Naan, another Israeli kibbutz called Kibbutz Dan and Jain Irrigations Systems of India.

Over a vegetarian lunch in the kibbutz cafeteria, where the tables were festooned with the flags of India and Israel, Sarban Singh, an Indian delegate from Haryana, said that last year he visited Singapore to learn about water technology and that he and his colleagues were also closely following innovations in Japan and Germany. The water sector in Israel, he said, was nevertheless the most important to him and other Indian officials. “This is what we feel,” he said. “The way they are able to take care of these two areas, drinking water and treatment of wastewater — they are soldiers and pioneers.”

For Mr. Singh, the most eye-opening technology that he saw during his time in Israel involved optimizing systems so that water can be provided at all times, which requires clean and secure reservoirs; tracking the liquid’s distribution into homes; and adding state-of-the-art water sensors on piping systems to pinpoint exactly where the precious resource is being lost.

Mr. Singh was quick to add, however, that between inspiration and implementation, many hurdles would present themselves in India. “They are doing this on a very small scale, while we are doing it on a very large scale,” he said. “So even if we have the technology, we may not be as successful as they are. We welcome the technology, but before we can implement it, we have to see how much the manufacturing will cost and how much it benefits us at home.”
ON TOPIC

**India, Israel Inching Closer to Signing FTA: Israeli Envoy:** *Times of India*, June 13, 2013—Hoping that an India-Israel free trade agreement (FTA) would be signed "in the coming months", the Israeli ambassador on Thursday said the agreement would be a "strategic game changer" in trade relations between the two countries.

**The Big Story Out of Herzliya Might Be About China and Israeli Drones:** Eli Lake, *The Daily Beast*, Mar. 12, 2013—For the globalist CEO, there is Davos. For the comic-book nerd, there is Comic-Con. For the Middle East policy professional, there is Herzliya. And while you may never have heard of the annual conference held at the Israeli seaside hamlet named for Theodore Herzl, the intellectual godfather of Jewish nationalism, the Zionist wonk in your life almost certainly has.

**Pakistan Military Technology Row 'Threatens Israel's Strategic Relationship with India':** Phoebe Greenwood, *The Telegraph*, June 13, 2013—Israel has rejected in strongest terms data recorded and published by the [UK] Ministry of Defense which documents the sale of Israeli-manufactured cockpit displays and electronic warfare components for F16 fighter jets to Pakistan in 2010.

**Cybersecurity Projects Next on Israel-India Agenda:** David Shamah, *Times of Israel*, June 24, 2013—To the already robust cooperation between Israel and India, add the field of cybersecurity, with Israeli companies being recruited to protect India's networks, databases, and enterprise computer systems.

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