

Press release: UK and Israel sign trade continuity agreement

A trade continuity agreement will see British businesses and consumers benefitting from continued trade with Israel after we leave the European Union.

International Trade Secretary and President of the Board of Trade, the Rt Hon Dr Liam Fox MP, signed the UK-Israel agreement in Jerusalem today (Monday 18 February) with Minister of Economy and Industry, Eli Cohen.

The news has been welcomed by business groups including the Israel Britain Chamber of Commerce, who say it will help to support jobs and ensure continuity for both British consumers and businesses who will be able to continue trading without disruption.

The agreement simplifies trade and allows businesses to trade as freely as they do now, without any additional barriers or tariffs.

Trading on these preferential terms rather than on World Trade Organization terms will deliver significant savings and help to safeguard British jobs.

This will help to further strengthen the trading relationship between the UK and Israel, which was worth £4 billion in the year ending 2018 Q3.

The British vehicles sector could avoid up to £9 million a year in tariff charges on their exports that would apply if the agreement wasn't in place, while machinery and mechanical appliance exporters could avoid up to £5 million a year.

The agreement also protects existing preferential market access for important products. Consumers in the UK will continue to benefit from more choice and lower prices on goods imported from Israel, such as pharmaceutical products, with Israeli companies acting as major suppliers to the NHS. The deal will ensure crucial protection for intellectual property rights and maintain high trading standards across industry.

International Trade Secretary, Dr Liam Fox said:

Britain's relationship with Israel is stronger than it has ever been with record levels of bilateral cooperation in trade and investment between our two nations. Today's agreement will further help ensure UK and Israeli businesses, exporters and consumers have the certainty they need to continue trading freely and in confidence as the UK prepares to leave the EU.

We look forward to further strengthening an ambitious trade and

investment relationship with Israel as we work closer together in the future.

Anita Leviant, President of the Israel Britain Chamber of Commerce (IBCC) said:

The IBCC community, both in Israel and in the UK is very pleased and encouraged by the signing of the continuity trade agreement between both countries. Bilateral Trade between the UK and Israel has been booming during the last several years and the UK is Israel's second largest trade partner, with over 300 Israeli companies choosing to set up their businesses in the UK.

Tech, science and innovation cooperation between companies and organisations of both countries keeps growing each year and the sky is the limit. Ensuring continuity for our important mutual businesses, is therefore a must and this agreement, at this time, provides the required immediate certainty, and at the same time, serves as a solid foundation, for growth and enhancement of the already existing two-way UK-Israel trade and investment relationship.

The government's priority remains minimal disruption to our global trading relationship as we prepare to leave the European Union. We will continue to work with our trading partners as we seek continuity for existing trade agreements.

Like all of these agreements, the new UK-Israel deal replicates the existing trading arrangements as far as possible. It will come into effect as soon as the implementation period ends in January 2021, or on 29 March 2019 if the UK leaves the EU without a deal.

The UK International Trade Secretary, Dr. Liam Fox, and Israeli Minister for Economy and Industry, Eli Cohen, have agreed the text of the UK-Israel Trade and Partnership Agreement. The Agreement replicates the existing EU-Israel trading relationship, as reflected by the EU-Israel Association Agreement[1], to ensure continuity in the trading relationship between Israel and the UK, when the UK ceases to be a member of the EU. In signing the Trade and Partnership Agreement, both parties have ensured certainty for businesses, consumers and investors following the UK's withdrawal from the EU. Considering that the EU-Israel Association Agreement was signed in 1995 and the world of trade has evolved since, both Ministers re-affirm their desire to see an ambitious free trade deal concluded between their countries. The Trade and Partnership Agreement will pave the way for an ambitious relationship between the UK and Israel's complementary economies. With bilateral trade already worth £4 billion, the Ministers agree that both countries should aim to develop the economic and trading relationship further, with the aim of deepening links in key sectors. In this context both

ministers are committed to undertaking a review of the Trade and Partnership Agreement with a view to upgrading it, including in areas not covered therein.