

Trade Ministers of Colombia and Israel sign trade agreement



Jerusalem, September 30, 2013.- After five rounds of negotiations, the Minister of Trade, Industry, and Tourism, Sergio Diaz -Granados, and his counterpart, Minister of Economy of Israel, Naftali Bennet, signed a free trade agreement between the two countries today, Monday, September 30th, in Jerusalem.

The Colombian Minister stated, "We firmly believe that the Agreement between Colombia and Israel creates an institutional framework and a favorable environment for trade and investment between the two countries. It expands market access opportunities by eliminating tariff and nontariff barriers and provides incentives to promote investment and strengthen bilateral cooperation..."

Once the Agreement enters into force, 97% of Colombia's current agricultural and agro-industrial exports to Israel will enter that market duty free.

According to Minister Diaz-Granados, immediate tariff relief will open space for Colombian products, such as candies, chocolates, baked goods, cookies, caramel, fruit preparations, jams, prepared palm, cassava, gooseberries, caramelized sugar, and beverages, among other items.

Additionally, at the start of the Agreement, various agricultural products will have access to Israel through duty-free quotas. This includes flowers, beef, pineapple, cheese, milk powder, whey, watermelons, mangoes, papaya, and onions, in particular.

For industrial products, the Minister said that 98% of Colombia's supply will become tariff free as soon as the Agreement takes effect, while the remaining 2% will be liberated in up to 5 years.

For Colombia, this Agreement will strengthen its relationship with one of the most influential countries in the Middle East, the Minister explained. He added that the Agreement includes chapters in market access, rules of origin and customs, technical barriers to trade, sanitary and phytosanitary standards, trade protection, services, and investment, public procurement, legal and institutional affairs, cooperation.

According to the Minister, the Colombian Government seeks to leverage innovation as an engine of growth, so to this end, Israel will provide cooperation in areas of technology, innovation, and industrial development.

Moreover, the Agreement will facilitate the implementation of cooperation projects in agriculture technology, telecommunications, public health, innovation, biotechnology, and environmental technology development.

Israel is a global leader in investment for research, development, and entrepreneurship, and this will allow Colombia to have benefits beyond the commercial sphere, which will help boost the country's growth and development.

Finally, the Minister indicated that this Agreement is significant and reinforces the understanding that integration and open markets is the right way to ensure greater levels of investment, increased trade, and ultimately, sustained economic growth.

Colombia – Israel Relationship

For the Minister, one of the main achievements of the Agreement with Israel is that it will strengthen ties with one of the most innovative and dynamic economies of the Middle East.

It is a country with 7.9 million inhabitants, a GDP of nearly USD 246.8 billion (2012), a GDP per capita of USD 32.212, and a growth rate of 2.9 %, when compared to 2011.

The Agreement includes issues of cooperation, investment, and public procurement, and it facilitates and promotes investment flows and technical exchanges between the two countries.

Bilateral trade between Colombia and Israel has increased fivefold in the last decade. The trade balance showed a surplus of USD 365 million in 2012, with exports reaching USD 526 million and imports reaching USD 160 million.

Colombia's exports to Israel include fuels, coffee, precious stones, telephones, coal, petrochemicals, timber, confectionery, leather, and flowers.

Colombia's main imports from Israel (2012) include industrial goods and high technology, such as phones (15%), radars and parts (10%), and yarn (5%), as well as machinery and equipment, among others products.

Israel's cumulative investments in Colombia over the last decade amounts to USD 33 million, with 2012 accounting for USD 3 million of this total.

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