

India-Israel Bilateral Investment Treaty

1. Event Overview

- On **September 8, 2025**, Israeli Finance Minister **Bezelel Smotrich** visited India.
- He held talks with Indian Finance Minister **Nirmala Sitharaman** in New Delhi.
- Both signed a **new Bilateral Investment Agreement (BIA)** aimed at boosting trade and reciprocal investments.
- Smotrich was accompanied by senior Israeli officials, including Chief Economist of the Israeli Ministry of Finance **Shmuel Abramzon**.

2. Objectives of the Agreement

- Expresses **shared vision for innovation, secure economic development, and cooperation**.
- Opens new doors for:
 - **Israeli and Indian investors**.
 - Strengthening Israeli exports.
 - Providing businesses on both sides with certainty and tools to expand in global markets.
- India is highlighted as a **growing economic powerhouse** and a vital partner for Israel.

3. Context & Timing

- The visit coincided with Israel's **new military campaign in Gaza Strip**, as the **Israeli Defence Forces (IDF)** seek to create a buffer zone amid ongoing conflict.
- Smotrich's outreach to India carries weight because he was recently **banned by the U.S., UK, France, Ireland, Norway, and Canada** (June 2025) over his controversial positions, especially related to Gaza policies.
- His presence in India signifies Israel's pivot towards **strengthening Asian partnerships**, particularly with India.

4. Statements & Reactions

- Smotrich:
 - Called the agreement a **strategic step** for investors from both nations.
 - Emphasized India as one of the **fastest-growing global markets**.
 - Announced Israel is considering opening a **representation office in India**.
- Piyush Goyal (Indian Commerce & Industry Minister):
 - Said discussions focused on **strengthening trade and investment ties**.
- Israeli Ministry of Finance:
 - Highlighted the agreement as a **new model for investment treaties**, consistent with OECD standards.
 - Stressed the potential for **employment and investment opportunities** for Indians.

5. Significance of the Treaty

- Israel is the **first OECD member state** with which India has signed such a **strategic investment agreement**.
- Seen as a **replacement and upgrade** of the earlier bilateral investment protection agreement signed in **1996**.
- Expected to:
 - Facilitate reciprocal investments.
 - Provide businesses with a secure framework for cooperation.
 - Support construction and infrastructure projects in Israel, creating **job opportunities for Indians**.

6. Geopolitical Implications

- The signing reflects **India-Israel growing partnership**, despite Israel's ongoing military campaign in Gaza.

- Strengthens India's role as a **trusted partner** in Israel's economic future.
- Marks a **deepening of South-South and West Asia-India ties** amid global political shifts.

□ **Conclusion:**

The new **India-Israel Bilateral Investment Treaty** represents a **strategic partnership** built on innovation, mutual investment, and economic cooperation. Signed against the backdrop of conflict in Gaza and Smotrich's diplomatic isolation in the West, the agreement underscores Israel's intent to pivot towards India as a critical partner for growth, while also opening **new investment, infrastructure, and employment avenues** for Indians.

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