



Sino-Israeli Special Issue  
on Economic and Trade Cooperation

# 经贸合作专刊



1992-2017 SINO-ISRAELI 25<sup>TH</sup> ANNIVERSARY

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# Sino-Israeli Economic & Commercial Relations

## Looking at the first 25 years and beyond

**I**lan Maor, vice chairman of Israel – China & Hong Kong Chamber of Commerce and Managing Partner of SHENG-BDO.

A couple of weeks ago I had the pleasure of attending a special event hosted by the Chinese ambassador to Israel, marking the 25th anniversary of Israel-China relations. I stood there, surrounded by diplomats, businessmen, academicians and members of the Chinese community in Israel, enjoying meeting old friends and discussing cooperation and opportunities. But my thoughts kept taking me 25 years back, to the first meeting with the Chinese ambassador (in Kathmandu, where I was then stationed as a young diplomat), to landing at the Beijing airport and visiting the fascinating city, to the days it all started...

For China and Israel, a period of 25 years is a very short time in the history of two ancient nations, but still, this short term has been rich and impressive in terms of events and developments.

To borrow a concrete metaphor from life, in many ways, the relationship between Israel and China resembles the relationship between a couple: dynamic, interesting, fruitful, and ever-evolving, demanding commitment, investment, and perseverance. Just like in a marriage, each party brings its own special characteristics, advantages, expectations and needs that should complement each other. In China and Israel's case, the complimentary characteristics and people-to-people chemistry work very well and generate impressive results.

With the establishment of diplomatic relations in 1992, the door opened for developing trade relations, with the initial bilateral trade level standing at the extremely low volume of \$54 million. With the obvious potential, supported by the two governments (as can also be seen in the long list of economic agreements signed and facilitating the trade), exchanges and cooperation developed, with the bilateral trade growing year by year, marking



Ilan Maor speaks at the 2nd Israel – Yunnan Innovation event in Tel Aviv with Governor of Yunnan Chen Hao and the Israeli Minister Tzachi Hanegbi.



Ilan Maor hosts a meeting between a delegation led by the Vice Governor of Zhejiang province Huang Xun Ming and the Israeli Agriculture Research organization to discuss agriculture technology cooperation.



Ilan Maor hosts the Minister of Agriculture of China Han Changfu and the Chinese Science and Technology Counselor in Israel Han Jun on a visit to review Israeli dairy technology.





a record \$9 billion in 2016, out of which about a third (3.2 billion USD) is Israeli export, making China Israel's second largest export partner.

Moreover, the bilateral trade, which was mainly comprised of chemicals, agriculture, and low tech, is currently mainly comprised of high tech: electronic components, medical and other high tech equipment.

Still – the current bilateral trade level is far from representing the full potential of trade between the two countries, with our \$9 billion trade being a fraction of China's global trade, which reached close to \$3.6 trillion in 2016.

The success of the current bilateral discussions on a free trade agreement may provide the needed boost to the slow on-going growth, toward a much faster growth and reaching a new record of \$10 billion and later \$15 billion in bilateral trade.

The rapid development of Chinese industry in the past two decades, together with the fast rising standard of living of Chinese society, opened the door to a major and promising second pillar of the cooperation between Israel and China: the technology based cooperation.

The new and modern Chinese industry and market is in constant search and need for new technologies. With fast developing research and development efforts in China, covering the academy, research institutes, and companies – much of the needed technology will be developed in-house. However, just like every other country (USA and Europe included), there will always be a need for additional technologies – and the door is wide open for Israeli technology-based companies, which in many ways compliment their Chinese counterparts, to step right in.

Supported by the Israeli and Chinese governments, on both national, provincial and municipal level, a growing number of Israeli-Chinese R&D and technology-based cooperation projects have been launched. Jiangsu province and cities such as Wuxi, Suzhou, Changzhou, Nanjing, and Shanghai are well known among Israeli high tech entrepreneurs and companies aiming at cooperation in China. Technology based cooperation is slowly becoming a two-way road, with the first Chinese groups establishing their R&D centers in Israel.

The third and newest pillar of the Israel – China economic cooperation is the investment and M&A segment. It took more than two decades of interaction and mutual exchange, till Chinese investors gradually discovered the potential for investments in Israel.

With major large-scale acquisitions, such as Adama by ChemChina and Tnuva by Bright Food (which our company had the honor to initiate and support), followed by the mid-scale acquisitions of Lumenis by XIO, Servotronics by Midea, and recently smaller scale acquisitions and investments in small and medium companies, in funds and even startups – Chinese investors are becoming significant players in the Israeli investment scene.



Ilan Maor and Sheng-BDO host a technology round table with the Deputy Mayor of Wuxi Municipal Government Liu Xia, the Wuxi Agriculture Committee delegation and six Israeli agrotech companies.

With the growing interest of Chinese companies and funds in technology-based investment and M&A on the one hand and the deepening understanding of Israeli companies of the potential that lays in the financial, and moreover, the strategic investment from China, this is a trend we may expect to grow and strengthen.

Alongside these wide and significant opportunities, developing cross border activities, across different geographies and time zones, with different languages and business cultures, present quite a lot of challenges.

Judging from the past 25 years, Israeli and Chinese companies and business people have proved that they are capable of bridging the gaps and crossing the distances, creating fast developments in the first 25 years of cooperation and hopefully much more in the next 25 years.

## 中以经贸关系

### 回顾 25 年前及展望未来...

**Ilan Maor , 以色列-中国及香港地区  
商会副会长, 生 BDO 执行合伙人**

几周前,我有幸参加了中国驻以色列大使馆举办的“中以建交 25 周年特别活动”。我站在人群中,周围是中国大使、企业家们、学者以及以色列华人社团的成员。在此,我同老朋友们畅所欲言,聊着新的合作和商机——尽管如此,我的思绪还是忍不住回到 25 年前:忆起我同中国大使的第一次见面(当时我还是任职于加德满都的一名年轻领事);忆起我降落在北京机场,第一次看到这座迷人的城市的情景;忆起那些最初时光.....

25 年,对于像中国和以色列这样拥有着悠久历史的古老文明而言不过是飞逝的瞬间,但它依然值得被提及——因在这短暂的时间片断里,有许多令人称奇的发展。

通俗地讲,以色列和中国之间的关系就像一段姻缘:是变化的、有趣的、硕果累累并欣欣向荣的。它需要承诺、付出和坚持。如同在婚姻中一样,双方都拥有属于自己的个性、优点、期望和需求,彼此需要取长补短。在中以关系中,特质的互补和人与人之间微妙的化学反应催生出了令人印象深刻的成果。

1992 年中以建交,贸易往来的大门随之打开,当年仅有 5400 万美金的双边贸易额。由于两国政府的支持(从签署并促进贸易的长期经济协议中可以看出),中之间双边贸易和商业合作持续发展,在 2016 年 90 亿美元的贸易额中,约三分之一(32 亿美元)为以色列的出口贸易,使中国成为以色列第二大贸易出口伙伴。

并且,过去是以化学、农业和低端科技为主的双边贸易,现已转变为以高科技产业为主的双边贸易,如电子元件、医疗及其他高科技设备。

尽管如此,当下的双边贸易水平仍然只显露了两国贸易潜力的冰山一角。2016 年,中国全球贸易进出口贸易额接近 3.6 万亿美元,以色列也只占其中的 90 亿美元。

双边自由贸易协定的达成,加速了缓慢发展的贸易需求,使其有望达到 100 亿美金,甚至是 150 亿美金。

过去二十年来,中国工业的快速发展和中国社会生活水平的提高,打开了中以发展的第二扇大门:以科技为基础的合作。

中国新兴的现代工业和市场需要不断寻找新技术。随着中国研发工作在科研院所、研究机构和公司的快速发展,虽然大部分技术将在内部开发,但是,就像其他国家(包括美国和欧洲)一样,总是会需要额外的技术。许多以色列技术型公司十分赞赏他们的

中国同行，现在机会的大门也正为他们打开。

在中以两国国家、省、市级政府层面的支持下，越来越多的中以研发和技术合作项目已经启动。随着江苏省无锡，苏州，常州，南京和上海等城市的中以合作项目声名鹊起，基于技术的合作正慢慢变为双向的交流，第一批中国集团已经在以色列建立了研发中心。

中以经济合作的第三扇大门是投资及并购。通过二十多年的磨合，中国的投资人逐渐开始在以色列发展投资项目。

大量的并购活动使中国成为了以色列在投资领域的重要伙伴，之前有 Adama 被中国化工收购，Tunva 被光明乳业收购（我公司有幸开发并支持了该项目），随后有 Lumenis 被 XIO 收购，Servotronics 被美的

收购等等中等规模的并购，近期也有许多针对中小企业、基金和创业公司的小规模并购及投资。

尤其是近年来，中国企业和基金对技术投资和并购方面的兴趣日益增长，对以色列公司财务和战略投资潜力的理解不断加深，这些都是我们翘首盼望的发展和强化趋势。

中以两国在面对无限商机的同时，也面临着由跨越不同的地域和时区、跨越不同的语言和商业文化而发展的跨境活动所带来的巨大挑战。

回顾过去的 25 年，以色列同中国企业和商界人士已经证明，他们有能力弥合差距、跨越距离，在前 25 年的合作中我们已种下快速发展的苗芽，希望在未来的 25 年里能够采拮进一步发展的果实。