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Hope and Optimism: The Indian-Israeli Relationship

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EXECUTIVE SUMMARY: Israeli PM Benjamin Netanyahu's state visit to India was predictably full of pomp and circumstance. More importantly, it underscored yet again the closeness that now characterizes the bilateral relationship.

The rapport that has built up between Israeli PM Benjamin Netanyahu and Indian PM Narendra Modi has transformed New Delhi's approach to Jerusalem. Once, India shunned Israel so as not to disenchant the Muslim community back home or alienate the Palestinians and the rest of the Arab world, which would have unsettled the Indian diaspora and imperiled crude imports. Strikingly, Netanyahu accompanied Modi through all three days of his state visit to Israel last July, and Modi returned that tribute to the Israeli leader on his visit to India six months later. They called each other by their first names and described one another as "my good friend."

Only one Israeli PM ever visited India before Netanyahu: Ariel Sharon, in 2003. Modi's visit to Israel followed Pranab Mukherjee's, in October 2015 – the first ever by an Indian president – which too was reciprocated by Reuven Rivlin in November 2016. Rivlin was only the second Israeli president to visit India, after Ezer Weizmann in 1996.

At the start of his six-day tour of New Delhi, Agra, Ahmedabad, and Mumbai, Netanyahu hailed Modi as a revolutionary leader, and in his farewell statement called his visit "historic" and said it would be "long remembered." Modi broke protocol to receive Netanyahu and his wife Sara at the New Delhi airport and lavished the couple with the fulsome welcome and sumptuous security that India now offers to all state visitors. (Delegates traveling to India with Swiss President Doris Leuthard a year ago said they were overwhelmed by the

security accorded their leader. They had thought such levels of security were reserved only for visiting US presidents or the Pope.)

The entire Taj Mahal complex was shut down to tourists when the Netanyahus visited Agra, and the 8 km secured route from the Ahmedabad airport to Mahatma Gandhi's historic Sabarmati Ashram was lined with 50 stages featuring live performances by artists from different Indian states.

Netanyahu's itinerary included meetings and banquets with Modi, President Ram Nath Kovind, and External Affairs minister Sushma Swaraj; an inaugural speech at the Raisina Dialogue; meetings with Indian businessmen and Jewish community leaders; an exclusive "Shalom Bollywood" event with the Hindu film industry; an interaction at the Centre of Excellence for Protected Cultivation and Precision Farming on Vegetables in Vadrad village in Gujarat, which was developed under the Indo-Israel Agriculture Work Plan in exchange for advanced farming technology; and the inauguration via video conference of a Centre of Excellence for date palms in Bhuj.

There was a plan to rename a downtown intersection in Mumbai after Shimon Peres, the late Israeli Prime Minister and President, but it was revoked by the municipal corporation. Still, the first item on Netanyahu's trip was to join Modi at the renamed Teen Murti Haifa Chowk in New Delhi to pay homage to the brave Indian soldiers who laid down their lives a century ago in the Battle of Haifa during the last months of the Sinai and Palestine Campaign of WWI.

The countries signed nine agreements to boost bilateral trade and cooperation across several sectors. Netanyahu, together with 11-year-old Moshe Holzberg, visited the now refurbished Chabad House in Mumbai where the boy's parents, Rabbi Gavriel and Rivka Holtzberg, who were directors of the Jewish center, were killed along with six others by Pakistani terrorists during the November 2008 attack on the city. Netanyahu recounted the visit to Chabad House as one of his two most poignant experiences on his India visit. The other was his meeting with a delegation from the Indian Jewish community now settled in Israel who had for long looked forward to an Israeli prime ministerial visit to India.

In a joint statement issued after delegation-level talks held on the second day of Netanyahu's visit, the two sides said their discussions were marked by a mutual desire to accelerate bilateral engagement and scale up the partnership. This is to be pursued three ways. First, by strengthening existing pillars of cooperation in the areas of agriculture, science and technology, and security, all of which touch the lives of both peoples. In defense, India invited Israeli companies to take advantage of the liberalized FDI regime to expand manufacture in India together with domestic companies. Second, the sides agreed to venture into less explored areas of cooperation such as oil and

gas, cyber security, film, and start-ups. And third, they agreed to facilitate the flow of people and ideas between the countries via policy facilitation, infrastructure and connectivity links, and a fostering of constituencies of support beyond government.

“We are working with Israel to make it easier for our people to work and visit each other’s countries, including for longer work duration,” Modi said. “To bring people closer on both sides, an Indian Cultural Center will soon open in Israel.” He added that it had also been decided to start an annual exchange of bilateral visits by 100 young people from science-related educational streams. The two PMs also exchanged perspectives on the regional and global situation.

While both sides spoke of their vision for a strong partnership, Israel has undoubtedly been the senior partner in the relationship, which is poised more as one between vendor and client than as one between equal partners. Israel, a sliver of a country with a population of 8.5 million that sprang out of the desert 70 years ago, has spearheaded agricultural and horticultural cooperation by bringing advanced practices and technology to India, a country of 1.34 billion and one whose Indus Valley civilization was the cradle of agriculture and animal husbandry over five millennia ago.

Measuring 20,770 sq km, Israel is about as big (or as small) as the northeastern Indian state of Mizoram – yet it enjoys a trade surplus in two-way trade with India that was worth \$5 billion in 2016-17. While its GDP totals \$297 billion to India’s \$2.25 trillion, its per capita GDP is \$34,800 compared to India’s \$6,700.

If government-to-government military sales by Israel were to be included, the trade surplus would be even more lopsided, as Israel is among India’s largest defense suppliers (along with the US, Russia, and France). India is the world’s largest arms purchaser and Israel’s biggest arms client.

As Modi was showing the Netanyahus around the Sabarmati Ashram of Mahatma Gandhi, the apostle of non-violence who hoped a future India would have “the smallest army imaginable,” word came through of the reinstatement of India’s \$500 million deal with Israel for its Spike anti-tank missiles – a deal New Delhi had canceled on January 2, just prior to Netanyahu’s visit. India, which has the second-largest standing army in the world after China, and which budgeted Rs3,59,854 crore (\$56.6 billion) for its military this year, opted for the Spike, made by Israel’s Rafael Advanced Defense Systems, over the US’s Lockheed Martin/Raytheon Javelin missiles. Netanyahu called the deal “very important” and said that “there will be many more deals.”

Israel netted its largest-ever defense contract in April of last year, when India awarded Israel Aerospace Industries (IAI) contracts totaling almost \$2 billion.

IAI will supply the Indian Army with medium range-surface to air missile (MR-SAM) air and missile defense systems and a long range-SAM (LR-SAM) air and missile defense system for India's first indigenous aircraft carrier, the Vikrant, which is scheduled to be commissioned by the end of this year. With integrated advanced phased-array radar, command and control, and mobile launchers and missiles, these systems are advanced, ground-breaking air and missile defenses that provide the ultimate protection against a variety of aerial threats.

India's Defense Ministry also recently cleared a proposal to procure 131 Barak missiles from Rafael at a cost of Rs460 crore (\$72.3 million). These are surface-to-air missiles designed to be used as a ship-borne anti-missile defense system against anti-ship missiles. India buys military hardware worth an average of over \$1 billion from Israel every year.

Last year marked the 25th anniversary of India-Israel diplomatic ties, established in 1992. India had formally recognized Israel much earlier, on September 17, 1950, and a consulate was opened in Bombay in 1953 a facility to cater to the Jewish population in India. BJP-led governments have traditionally had closer ties with Tel Aviv, ties that have now flowered into areas ranging from agriculture, education, science and technology, and IT to diamonds, defense, counter-terrorism, and homeland security. To commemorate 25 years of diplomatic relations, the countries chose *A Growing Partnership* as the motto for the occasion to signify that their relations are not bound to one moment in time.

Prime Minister Modi's state visit to Israel last July was both symbolic and ground-breaking. Not only was his visit the first by an Indian PM to Israel since its creation in 1948, but it clearly delinked Palestine from India's equations with the Jewish state even as it elevated New Delhi's ties with Tel Aviv to a "strategic partnership." Modi reassured visiting Palestinian Authority president Mahmoud Abbas in New Delhi in May that India's ties with Israel will in no way impinge on its relationship with the State of Palestine. There has nevertheless been a clear diplomatic tilt towards Tel Aviv, with Modi's rightwing Bharatiya Janata Party-led government having for the last three successive years abstained from UN resolutions against Israel for its alleged war crimes during the 2014 Gaza offensive.

With that said, India has chosen not to appear entirely partisan. In December 2017, it joined 127 other countries in voting at the UN General Assembly in favor of a resolution opposing the recent decision by US president Donald Trump to recognize Jerusalem as Israel's capital. New Delhi was mindful that had it acted differently, the Arab states might have retaliated by acting against Indians working there and by restricting India's access to their oil.

The Palestinians viewed the Indian vote favorably, an aspect that had a favorable impact on Modi's Ramallah visit on February 10 – the first ever by an

Indian PM. The Palestinian question is part of India's outreach to the Arab world, with the Prime Minister visiting Oman and the United Arab Emirates (UAE) as well over three days. Modi also delivered the keynote address at the World Government Summit in Dubai. During Netanyahu's visit, the two leaders discussed the issue of Indian support for the two-state solution, but this was not a central part of their negotiations.

"As we look to the future of this exciting partnership with Israel, I am filled with hope and optimism," Modi said during Netanyahu's visit. "In Prime Minister Netanyahu, I have a counterpart who is equally committed to taking the India-Israel relationship to soaring new heights."

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