

IN CONFIDENCE

Foreign Ministry Consultations
New Zealand - Israel
19 March 2023



(III) Technology, science, innovation, trade and economic relations

Israel: Jonathan Zadka, Director of the Economic Affairs dep, Economic Affairs Division

Talking Points:

- We are pleased that Ambassador Coulson-Sinclair could participate in the AgriFood week with leading kiwi companies in October 2022. It allowed us to explore the Israeli food and ag-tech ecosystem. Prospect for New Zealand companies to connect with counterparts across the sector exist.
- We understand further opportunities for New Zealand to expand our engagement in the economic and trade sphere exist with upcoming events such as Cyber Week in June 2023 and a further potential New Zealand AgriTech delegation.
- A gap in accurate data available publicly means that we do not have a full picture of our two-way trade record. We are pleased that our missions are looking at ways to work together to better understand the commercial opportunities available.
- **ITAG/GTAGA:**
 - New Zealand's membership of the Inclusive Trade Action Group (ITAG) and the Global Trade and Gender Arrangement (GTAGA) are an important part of our "Trade for All" agenda and ongoing efforts to ensure trade delivers for all members of our society. We would welcome Israel's participation in both initiatives, and are happy to engage with officials on any questions arising or to provide more information as needed.
 - We are pleased to note that colleagues from the MFA have been in contact with our trade team in WLN who have provided further information on the ITAG/GTAGA.
- **Israel-UAE Closer Economic Partnership Agreement:** we'd be interested in understanding how Israel's CEPA with UAE is progressing following ratification ^{s6(a)}
- **If asked – on engagement under the New Zealand -Israeli Technological Innovation, Research and Development agreement:** We welcome Israeli ideas for engagement under the agreement, though note that our Ministry of Business, Innovation and Employment is already heavily committed in this area.

Out of scope

Out of scope

Background brief: Science, Technology, Innovation

1. In March 2020, the Agreement between the Government of the State of Israel and the Government of New Zealand on Cooperation in Technological Innovation, Research and Development (the Agreement) was signed. The Agreement was initiated much earlier, in 2017, intended to facilitate collaboration between New Zealand and Israel in areas of mutual interest in innovation; however, to date, no projects have arisen as a result of the Agreement. ^{s6(a)}
2. Israel is an Associate Member of Horizon Europe, the European Union's Framework Programme for Research and Innovation. New Zealand is expected to become an Associate Member to Horizon Europe in mid-2023, specifically to Pillar Two: Global Challenges and European Industrial Competitiveness, subject to Cabinet and Parliamentary approval. Association of both countries will provide a further avenue for collaboration between our research communities, and help address common challenges including climate change, biodiversity, food security and health.
3. Israel is known for its high R&D spend: one of the highest in the world. According to OECD data, Israel's R&D spend in 2020 was 5.4 per cent of GDP. By comparison, New Zealand's R&D spend in 2019 was only 1.4 per cent of GDP. However, in recent years Israel has openly questioned to what extent this high spend is resulting in impact, both on the quality of research as well as wider economic and social impact. Increasing New Zealand's R&D spend to 2% of GDP by 2030, alongside refining policy settings on prioritisation and long-term impact, is a key goal of this Government as part of Te Ara Paerangi – Future Pathways, the reform of the New Zealand science system. Learning from Israel's experience would be of interest.

Background brief: Inclusive Trade Action Group (ITAG) / Global Trade and Gender Arrangement (GTAGA)

4. ^{s6(a)}

More

information, if required, can be found on our website at: www.mfat.govt.nz/en/trade/nz-trade-policy/inclusive-trade-action-group/

5. ITAG/ GTAGA have seen a growing membership over the last 12 months, focused on Latin America ^{s9(2)(g)(i)} ITAG comprises New Zealand, Canada, Chile, Mexico, with Costa Rica and Ecuador also requesting membership. It has a broad focus on inclusive trade issues (including indigenous trade, environment and labour, and SMEs). The GTAGA is a trade instrument to promote women's economic empowerment, New Zealand's first, and comprises New Zealand, Canada, Chile, Mexico, Peru, Colombia, with Costa Rica and Ecuador about to sign, and Argentina also having requested membership.

Background brief: NZ-GCC FTA

6. New Zealand and the GCC reached an understanding in March 2022 that re-engagement in the negotiations would be based on the 2009 text, with the exception of goods market access and labour and environment. ^{s9(2)(j)}

7. On goods market access:

7.1. ^{s9(2)(j)}

7.2.

7.3.

8. On Labour and Environment, ^{s9(2)(j)}

8.4. ^{s9(2)(j)}

8.5.

9. The next round of discussions is scheduled for 21 March.

Out of scope - 1 page redacted

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From: ANKARA
Sent: Friday, 28 April 2023 2:54 am
To: MEA
Cc: ...MEA POSTS; ...MULTILATERAL POSTS; FM.DPMC (FPA) (Seemail); FM.P/S MFA (Seemail); FM.P/S Associate MFA (Seemail); ECO; ENV; ISED; LGL; PRD; TPND; UNHC; PACREG; FM.Transport Ministry (Seemail)
Subject: FORMAL MESSAGE: ISRAEL: FOREIGN MINISTRY CONSULTATIONS, TEL-AVIV, 19 MARCH

Security Classification:
RESTRICTED

[RESTRICTED]

TOHUTOHU KAWE - HANDLING INSTRUCTIONS:

MOT: Hooper

RĀPOPOTO - SUMMARY

- The seventh foreign ministry consultations with Israel were positive and cordial. ^{s6(a)} the meeting highlighted the diverse range of issues where both countries have common interests.
s6(a), s6(b)(i)
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- s6(a), s6(b)(i), s9(2)(j)
- s6(a), s6(b)(i)

HOHENGA - ACTION

- Out of scope
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- LGL: para 11 on ratification of the Innovation and Technology Agreement.
Out of scope
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- TPND: para 13 on ITAG.
Out of scope
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-

Others: Hei titiro māu – for information.

PŪRONGO – REPORT

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s6(a), s6(b)(i)

Economic and innovation links

10 Both sides agreed that available trade data undersold levels of economic connectivity between Israel and New Zealand. Jonathan Zadka, Director of the Economic Affairs Department, welcomed the appointment of New Zealand's new Honorary Consul Isaac Bentwich who had expertise in the technology and innovation fields. Zadka encouraged both countries to consider delegations from New Zealand to promote cooperation. Future conferences on smart agriculture and cyber technology might be good starting points.

11 Zadka raised the bilateral Innovation and Technology Agreement and noted it would soon receive its final approval by the Israeli government. This agreement would provide a formal avenue for matching funding. (Comment: the Knesset has since ratified the Agreement on 27 April, which opens the way for the Agreement to enter into force subject to the provisions of the Agreement.)^{s6(a)}

12 Out of scope

13 On the Integrated Trade and Gender Initiative, Israel noted that more in-depth discussion was needed. We offered for WLN to brief Morav and his team but noted at the same time that the Israeli Embassy in Wellington had contacted the relevant division in Wellington. Morav noted Israel's appreciation for the Small Advanced Economies Initiative. We reflected on how the New Zealand delegation had welcomed the opportunity to meet in person in Basel and encouraged Israel to prioritise participation in Singapore later in the year.

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TĀKUPU - COMMENT

23 The diverse agenda showed that New Zealand and Israel hold shared priorities on a wide range of issues; ^{s6(a)}

The FMCs provided a useful forum for the sharing of regional insights, ^{s6(a), s6(b)(i)}

24 On our differences, there was an open exchange of frank views, which was conducted in a respectful and straight-forward manner, but without leaving any hard feelings. ^{s6(a)}

MUTU - ENDS

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