



Department for International Trade

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19 July 2022

Dear Angus,

Embargoed: Launch of United Kingdom-Israel Free Trade Agreement Negotiations

I am writing to inform you that the United Kingdom will shortly launch formal negotiations on an upgraded Free Trade Agreement (FTA) with Israel. As part of this launch, I am sending you an embargoed copy of the following documents which will be published tomorrow:

1. The strategic case for an upgraded United Kingdom-Israel FTA
2. Our objectives for these negotiations
3. A summary of the United Kingdom's Call for Input on trade with Israel
4. A scoping analysis, providing a preliminary economic assessment of the potential impact of an upgraded agreement

Israel is already an important trading partner, with whom we had a £5 billion trade relationship in 2021. In fact, the United Kingdom's exports to Israel were worth £2.5 billion in 2021. Looking forward, Israel's economy is growing rapidly, increasing 45% over the last 10 years in the services sector alone. The United Kingdom can capitalise on this by securing a modernised trade deal with Israel.

As two like-minded partners with expertise in areas like technology and innovation, we are confident that we can agree an ambitious deal that will complement both our economies and showcase our leading-edge businesses.

Fundamentally, an upgraded trade deal will play to our strengths and unlock trade in our globally respected services and digital sectors. Despite over 75% of the United Kingdom and Israeli economies being services-based, only 36% of total trade between us is rooted in services. This highlights that there is significant room for growth in our trading relationship with Israel.

Overall, an upgraded agreement with Israel will cement our relationship with a rapidly growing economy and take our trading relationship to the next level. It will support United Kingdom jobs, and update outdated trade rules, unleashing our high-tech innovative economies.

As always, I am aware of the important role that your Committee, and the International Agreements Committee in the House of Lords, plays in the scrutiny of the Government's ambitious trade agenda. I would like to reiterate the commitment made by my Department to make the Chief Negotiator and relevant Senior Civil Service experts available to brief the committee in private after each substantive negotiation round. My officials will work with the Clerks of your Committee to share the dates of future negotiation rounds so that the Committee is able to plan and take advantage of this offer if desired.

I am placing a copy of the public bundle and this letter in the library. I look forward to discussing this agreement with you further in due course.

Yours sincerely,

A handwritten signature in black ink, reading "Anne Marie Trevelyan". The signature is written in a cursive style with a horizontal line underneath the name.

THE RT HON ANNE-MARIE TREVELYAN MP
Secretary of State for International Trade
& President of the Board of Trade