



Sarah-Ann Madi

Great potential resides in the economic relations

Interview with Sarah-Ann Madi, Counselor for Economic Affairs, Head of the Trade and Economic Mission to Poland, Embassy of Israel, Warsaw

by Anna Dąbrowska

How would you evaluate the economic relations between Poland and Israel? How close are contacts between our countries?

The bilateral trade between Israel and Poland has reached almost 1 billion USD in 2018. The exports from Poland to Israel recorded almost 730 million USD. Whereas total imports to Poland from Israel amounted to almost 670 million USD. The economic ties between both countries have been constantly growing, with interest from both Polish and Israeli businesses, whether in the market of consumer products, or in the various Hi-tech sectors.

Tourism between the two countries, sharing history and culture together, has also been developing, with the addition of direct flights to main cities in Poland, and from Poland to Tel Aviv. Just this year, LOT - the Polish National Airline, announced direct flights from Kraków to Tel Aviv. With easy and cheap connections to both Tel Aviv Ben Gurion Airport or Eliat Ovda Airport, Israel has become a popular destination for Polish tourists. And more Israelis come to explore Poland, whether as a friendly country for doing business, or a beautiful country for a mix of rich culture, tasty cuisine and the common history with Israel.

In what areas, sectors of the economy, we can talk about successes in cooperation between Poland and Israel?

Poland and Israel have a wide range of opportunities for cooperation in multiple sectors. This year, Poland and Israel signed an MoU of cooperation on Cyber Security matters. Now with the Polish Act on Cyber Security, technologies in this field have great potential for working in the Polish market. The Trade and Economic Mission to Poland, intends to promote this sector in 2020 and some business activities are planned already, together with the Israeli Cyber Directorate of the Prime Minister Office. In January 2020 Israel is hosting Cybertech, the biggest Cyber exhibition and conference, as well as Cyber Week in June. Both are platforms for Polish companies to also take part, whether as exhibitors or for a study tour on the ecosystem in Israel.

Another area of interest for both countries is Fintech - financial technologies and solutions, and Finsec - financial data and databases security. According to the Polish CERT, more than 3,000 cyber attacks on financial institutions were recorded in 2018. Such institutions are constantly facing the next imminent breach. Both Israel and Poland are hubs for technologies in this area. Cooperation between the two, will insure ongoing info-sharing and best practices implementation, thus acquiring resilience against offensive attempts of breach and reinforcement of the defensive mechanism. In June 2020, Fintech Junction will take place, and it is an opportunity for Polish companies to present their solutions and learn more about Israeli technologies. These sectors have recorded several success stories between Israeli and Polish companies. Our goal in 2020 is to break the record straight up to more Polish-Israeli success stories!

Which agri-food sector raises the greatest hopes for good cooperation for entrepreneurs from Israel and Poland?

Poland is in the forefront of European economies in terms of volume of agriculture out the GDP, making approximately 4% of the country's GDP and hiring almost 13% of the market's labor force. Whereas, taking a look at Israel's agriculture sector, which is responsible for approximately 2.4% of the country's GDP, yet constantly



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decreasing. You can easily recognize who is the leading fresh produce provider among the two countries.

Both economies are different from each other, yet can benefit from close and effective collaboration by offering complimentary products and solutions to the other side. While Poland preserves its agriculture sector, Israel's agricultural contribution to the GDP is decreasing, and more efforts are invested in developing the agri-tech sector - a wide range of technologies for precise agriculture, crop and water management.

Fruit and vegetable market is one of the most important segments of the food industry in Poland, making the country one of the leading players within the EU. This creates an opportunity for Polish processed and frozen fresh produce manufacturers, who can deliver goods to Israeli customers in competitive prices, allowing all participants of distribution process to receive higher revenues from their products.

At the same time, favorable weather conditions in Israel allow farmers to maintain efficient level of production throughout the year, which opens doors for exports of vegetables that are most typical in Polish market, such as potatoes, tomatoes and carrots. More than that, Israel offers a wide range of widely known exotic fruits like bananas, oranges, grapefruits and of those, which are still gaining popularity in Polish market, such as dates, avocados, pomegranates and Sharon fruit. Thus, importing fresh produce from Israel to Poland may be profitable for local distributors.

Poland is widely known for its strong position in cattle and poultry breeding, which makes it a perfect partner for Israeli importers. Polish beef is probably the best selling export product in Israeli market. This segment of the market is indeed successful for Polish exporters in the field.

As I mentioned, Israeli agriculture sector has been transforming into a more Agri-tech solutions rather than traditional agriculture. The special land and its structure

in Israel, have been a significant factor of developing technologies that can help overcome the shortage of precipitation or an accessible source of water. The great achievements of agritech companies, keep on giving a great boost to the local economy. Therefore, this field would be a good opportunity to cooperation between the countries.

What perspectives of the development of trade exchange between our countries do you see?

Agriculture and Agri-tech, as well as Watec (water technologies), hold tremendous potential for cooperation. Poland has a vast agricultural land, consisting almost 47% of the country's land area, and almost 36% of arable land. Agriculture has always been an important part of the country's economy. Israel, on the other hand, has become one of the leading countries for cutting-edge agricultural innovation and digital solutions. The story of agri-tech was initially born out of necessity, because of resources scarcity in Israel; Now, Israel has a lot to offer in this field: from fruit-picking drones to pollination intelligence, the innovation in agriculture has been flourishing since Netafim first pioneered drip irrigation over 50 years ago. Agritech, the biggest agriculture exhibition and conference will take place in Tel Aviv in 2021.

The Digital Health and Medical Devices sector promises a reciprocal benefit from cooperation for both sides, especially with the new challenges both countries are facing in the healthcare system. Poland is now moving forward with digitalization of the medical services and aims to raise the expenditure on healthcare system in the country. Israel has transferred in some areas to more digitalized services, and there are very innovative and life-changing technologies in this field, such as OrCam, IceCure, TytoCare and more. Just last November, more than 60 Israeli Medical inventions exhibited in Medica, the biggest medical devices and digital health exhibition, in Germany.

Another significant cooperation would be in area of Public safety on roads. Companies like Mobileye, Autotalks, i4Drive, Nexar and more, are gearing up to make driving safer. In October 2020, the Smart Mobility and Fuels Choices will take place in Tel Aviv, and some of these companies will be present as well.

To conclude, Great potential resides in the economic relations between Poland and Israel. I believe that with openness, trust and will to succeed from both sides, we can join forces and see how our countries can further develop the bilateral trade from potential into reality. I invite Polish companies to approach the Trade and Economic Mission at the Embassy of Israel so we can work together to promote the bilateral trade.