Ministry of Finance

Government of India and Government of the State of Israel sign Bilateral Investment Agreement (BIA), in New Delhi, today

Union Minister for Finance and Corporate Affairs Smt. Nirmala Sitharaman and Finance Minister of Israel H.E. Mr. Bezalel Smotrich signed the BIA

Agreement is expected to provide greater certainty and protection for investors, facilitating growth of trade and mutual investments by ensuring a minimum standard of treatment, and an independent dispute resolution mechanism through arbitration

Agreement also includes provisions to safeguard investments against expropriation, ensure transparency, and enable smooth transfers and compensation for losses

Both Ministers emphasised commitment to advancing economic cooperation in the fields of fintech innovation, infrastructure development, financial regulation, and digital payment connectivity

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The Government of the Republic of India and the Government of the State of Israel signed a Bilateral Investment Agreement (Agreement), in New Delhi, today. The Agreement was signed by Union Minister for Finance and Corporate Affairs Smt. Nirmala Sitharaman, and H.E. Mr. Bezalel Smotrich, Finance Minister of the State of Israel.

The BIA was signed in the presence of the Israeli delegation comprising of senior officers from the Israel Government and Senior Officers from the Government of India.

The Agreement marks historic milestone in the relation of two countries. The agreement is expected to boost investments, provide greater certainty and protection for investors, facilitating the growth of trade and mutual investments by ensuring a minimum standard of treatment, and an independent dispute resolution mechanism through arbitration. The Agreement also includes provisions to safeguard investments against expropriation, ensure transparency, and enable smooth transfers and compensation for losses. At the same time, it carefully balances investor protection with the State's regulatory rights, preserving sufficient policy space for sovereign governance.

The signing of the Agreement reflects both nations shared commitment towards enhancing economic cooperation and creating a more robust and resilient investment environment. The Agreement is expected to pave the way for increased bilateral investments between the two countries, which presently stands at total of USD 800 million, thereby benefiting businesses and economies in both countries. In this regard, Finance Minister Smt. Nirmala Sitharaman mentioned that both sides should have more business interaction to explore opportunities of investments, to gain benefit from the Agreement.

She further informed about the series of reforms undertaken by India over last more than 10 years, which has enabled India to be the fastest growing economy of the world and has created an investment friendly environment in the country.

Finance Minister Smt. Nirmala Sitharaman expressed her condolences over the loss of innocent lives in terrorist attack in Israel today. She also mentioned about the shared value of civilizational ethos of two countries which contributed to the global peace. Both Ministers acknowledged the threat of terrorism faced by both the countries and expressed solidarity with each other.

The Israeli Finance Minister spoke about the strong common background of the two countries achieving high economic growth despite security challenges. The Finance Minister of State of Israel emphasised the need for greater collaboration between two nations in the field of cybersecurity, defense, innovation and high-technology sectors.

Both the Ministers emphasised their commitment to advancing economic cooperation in the fields of fintech innovation, infrastructure development, financial regulation, and digital payment connectivity. They agreed to enhance economic and financial cooperation between the two countries and to promote and protect investments on a reciprocal basis.

The Finance Minister of Israel also extended an invitation to the Union Finance Minister to visit Israel.

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