

## BICOM Briefing

# Britain and Israel: The new strategic partnership

January 2020



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*Cover photo: British Prime Minister Boris Johnson and Israeli Prime Minister Benjamin Netanyahu meeting in London on Sept. 5, 2019. Photo by Chaim Tzach/GPO.*

## Forewords



Neil Wigan OBE  
HM Ambassador to Israel

It is a pleasure to introduce this report on the Britain-Israel relationship, which I know is the result of careful work by the BICOM team.

As British Ambassador to Israel, I have seen the vast potential for UK-Israeli collaborations. Our two countries complement each other's strengths. Returning to Israel after leaving in 2006, I am struck by how much deeper our co-operation is. Travelling round Israel since I arrived has brought home the breadth and depth of the relationship. I am delighted that BICOM's report sets out that progress, across fields including trade, technology, security and culture.

There is potential to do even more, including after Brexit. Trade is already over \$10bn, and the UK is Israel's biggest trade partner in Europe. High tech collaboration is thriving, to the benefit of both sides. We are ambitious about scientific and academic collaboration, where current work highlights untapped potential. The security relationship has grown exponentially since I was last here. The visit of HRH Prince Charles to the Auschwitz liberation commemoration event in January 2020 highlights the depth of our connection. 2020 and beyond looks bright for the bilateral relationship.

BICOM's media delegations to Israel and comprehensive reports and publications allow more British people to understand Israeli politics and security concerns, to appreciate the growth of our bilateral trade, and to learn more about our ground-breaking collaboration in tech, innovation and academic research.

I want to thank James Sorene and his team. BICOM's work has a well-deserved reputation for rigour and intellectual edge. Like this report, it plays an important part in bringing Britain and Israel closer together. For which I am deeply grateful to the BICOM team and their supporters.





Mark Regev  
Ambassador of Israel to the United  
Kingdom

It is a pleasure to contribute to this BICOM compendium on Israel-UK relations, issued specially for the visit of HRH The Prince of Wales to the Jewish state. Attending the World Holocaust Forum in Jerusalem together with leaders from over 40 countries, Prince Charles will later pay respects at the grave of his grandmother Princess Alice, who was recognised as ‘Righteous Among the Nations’ for saving Jews from the Nazis.

His Royal Highness’ visit takes place as we prepare to celebrate 70 years of full formal Israel-UK diplomatic relations, and underlines the exceptional progress we have made. This is particularly the case in trade, with our economic relationship growing by 25% over the past two consecutive years. Today, our commercial ties are worth some £9bn annually, creating thousands upon thousands of jobs, and making our democracies more prosperous.

It is clear that Israeli companies value British industriousness and investment, with 26 of them trading on the London Stock Exchange and hundreds having offices here in the UK. British businesses prize Israeli innovation, ploughing record sums into our exciting start-ups and pioneering research and development, in which the Jewish state leads the world.

Our governments have worked tirelessly to promote and strengthen this winning economic combination. Over the past two years, Israel became the first country to finalise a trade continuity agreement with the United Kingdom, and signed three other important accords to further research cooperation, increase investment, and address double taxation.

This has helped cultivate a robust framework for supporting our academic and R&D ties. One such example is BIRAX, which brings Israeli and British researchers and clinicians together to develop cures for diseases previously thought incurable. Israel is also a significant partner for Britain’s NHS, supply-



ing 1 in 7 medicines and saving the UK taxpayer billions of pounds.

Another key area where our cooperation in innovation is making a real difference can be found in cyber, where the partnership between our governments is helping support joint research to keep our citizens, our companies, and our countries safe. Her Majesty's Government has learned from pioneering Israeli techniques to bolster its defences on this emerging digital frontier.

Our more traditional security cooperation is going from strength-to-strength, too. We have welcomed many high-level military exchanges, with the Israeli Air Force's recent participation in the Royal Air Force's prestigious Cobra Warrior exercise over British skies serving as a powerful example of our militaries working even more closely to enhance our common security.

Israel has become an important partner of NATO, opening a liaison office in Brussels in 2017 and continuing to play a key part as a founder member of the Alliance's Mediterranean Dialogue. Coupled with significant ongoing and often unspoken Israel-UK cooperation in counterterrorism, our security relationship protects and saves British and Israeli lives.

We are working together in other international fora, too. Britain has taken steps against entrenched anti-Israel bias at the UN, voting down bigoted agenda items at the so-called Human Rights Council. Her Majesty's Government also joined Israel in calling out bigotry and incitement in the Palestinian Authority's textbooks for schoolchildren.

There remains the common threat of Iran, which continues apace with its clandestine nuclear programme, and its attempts to ferment terror in the Middle East, Europe and beyond. We agree the Islamic Republic should never be allowed to possess a nuclear weapon, and Britain has called out Iranian aggression that threatens us both, not least by fully proscribing the regime's terror proxy Hezbollah.

In these past 70 years of full formal Israel-UK diplomatic relations, the progress we have made is remarkable. We are partners whose shared prosperity and security is built on our common values of democracy, liberty and the rule of law, and the visit of His Royal Highness is but the latest cause for us to celebrate all we have achieved together.







Ian Austin  
UK Trade Envoy to Israel

As we enter 2020, it is fantastic to see that Britain's relationship with Israel is stronger than it has ever been, with record levels of bilateral cooperation in trade, investment, technology and innovation.

I have long been an advocate, not only of the importance of Israel to the world, but of the importance of the Britain-Israel bilateral relationship to both our great countries and I want to congratulate BICOM for everything it does to bring our two countries closer together.

I was honoured to be appointed by former Prime Minister Theresa May last year as the UK's Trade Envoy to Israel and to be confirmed by Prime Minister Boris Johnson last Autumn.

As this important report illustrates, the Britain-Israel relationship over recent years has been a wonderful story of success.

2018 was a record year, with trade in goods exceeding \$10 billion, with growth for UK exporters in areas like life sciences and food.

There is a great story on investment too, with inward investment increasing significantly in recent years, and over 500 Israeli companies providing thousands of jobs in the UK.

This success is in no small part due to the brilliant work of our Ambassador to Israel, Neil Wigan OBE, and the Department for International Trade's superb team at the embassy in Tel Aviv.

The UK Israel Tech Hub is doing brilliant work in bringing Israeli expertise to well established brands across all areas of British industry and is now establish-



ing a UK base for Israeli innovation in London. It's no coincidence that the UK was the first country to establish a special mission to Israel to boost tech cooperation, nor that this model is now being successfully applied across the world.

On science, BIRAX - the British Embassy's and British Council Israel's flagship programme - has raised £10 million over the last eight years bringing together top UK and Israeli scientists to do extraordinary work in partnership on society's biggest challenges.

Israeli companies know the value British expertise and industry can bring to their businesses, as we've seen most notably with the landmark \$1bn agreement for Rolls-Royce to supply jet engines to El-Al for its new Dreamliner fleet.

And we in Britain know the importance of Israeli innovation and research to our society. Just look at the NHS. The UK imported over \$2.8bn worth of Israeli pharmaceutical products in 2018. Israeli firm Teva provides up to 1 in 6 of the NHS's drugs and based on the NHS's total drugs bill and the amount of generics Teva provides, Teva estimates that it contributes more than £2.9bn of savings per year to the British public.

The strength of our trade relationship demonstrates just how much the pernicious BDS movement is failing. It's failing because decent, ordinary Brits not only reject hateful boycotts but actively wish to do the opposite through trade and collaboration.

It's not just trade where Britain and Israel's unique strengths benefit one another. Our defence and security cooperation is vital, protecting British interests in the region and saving lives. From intelligence sharing to military partnership, the last few years have seen significant examples of UK-Israel collaboration that has helped made the world a safer place.

I know that our friendship with Israel will continue to go from strength to strength in the years to come. Last February, Israel became the first country to sign a post-Brexit bilateral trade agreement with the UK. This important agreement ensures trade continuity between the two countries once Britain leaves the European Union.

Indeed, trade has showed absolutely no signs of slowing since the referendum, with some 65 Israeli companies setting up or expanding in the UK, creating



1500 jobs. Israeli funds and institutional investors have invested more than £500 million in the UK. Israeli businesses rightly see the opportunity Brexit provides to do business with the UK.

It's not difficult to see why the fundamental strengths of the UK economy make Britain so attractive to Israelis: the City, our legal and regulatory systems, global reach, the English language, and ease of access for Israelis – none of these will change post-Brexit.

A particular highlight of recent years for me was the historic visit of HRH the Duke of Cambridge to Israel in June 2018, the first official visit by a member of the Royal family. The warmth Prince William received throughout his time in the country provided the most powerful demonstration of the deep friendship between our two countries.

And as we begin a new decade, we can look forward to the UK-Israel relationship becoming stronger still – starting with the visit of His Royal Highness the Prince of Wales this month.

Let's do all we can to strengthen, embed and grow the UK-Israel relationship for the benefit of Britain, Israel and the world.





## Executive Summary

**The Britain-Israel relationship has grown closer in recent years in all areas, but particularly bilateral trade, foreign policy and defence ties, education and scientific collaboration, and cultural links.**

**In 2018, UK-Israel bilateral trade was worth \$10.5 billion, an increase of 72% since 2012.** Bilateral trade has steadily increased from \$6.1bn in 2012, to \$7.5 bn in 2015 and \$9.4bn in 2017.

**The UK is Israel's third largest export market, behind the US and China, with goods totalling \$4.3bn,** although this represents a drop of approximately \$800m from 2017 when the UK was Israel's second largest export market. Notable in terms of Israel's exports to the UK are pharmaceutical products, precious stones, plastic products, machinery and mechanical appliances, electrical machinery and equipment, and fruit and vegetables.

**UK exports to Israel were worth \$6.15bn in 2018,** with \$3.8bn for mineral fuels, mineral oils and their products. Notable trade deals included a \$1bn agreement for Rolls-Royce to supply Trent jet engines to El-Al for its new Dreamliner fleet, as well as Scotch whiskey sales increasing by 300 per cent since 2012.

The UK Government has been working to create a stronger trade relationship with Israel – particularly with Israel emerging as an innovation hub in a number of important industries like tech, cyber, healthcare and pharmaceuticals. **In early 2019 Israel became the first country to sign a post-Brexit continuity trade agreement with the UK.**

**The Brexit referendum has not hampered Israel's business interest in the UK.** Since June 2016, 65 Israeli companies have set up or expanded their activity in the UK, creating 1,500 jobs. Israeli funds and institutional investors have invested more than £500m in the UK.

**The UK became the first country to establish a special mission to Israel to bolster tech cooperation when it created the UK Israel Tech Hub in 2011.** Between 2012 and 2018, the hub generated 175 partnerships worth £85m, which it estimated to have boosted the UK economy by £800m.

The UK imported over \$2.8bn worth of Israeli pharmaceutical products in 2018 (down from a 2017 peak of more than \$3.6bn). Based on the NHS's total drugs bill and the amount of generics Israeli firm Teva provides the NHS, **Teva estimates**



**that it contributes more than £2.9bn of savings per year to the British public.**

Israel is widely recognised for its unique tech innovation ecosystem, with close interaction between government, military, academia and industry – a model which the UK has sought to emulate – **and there are close working relationships between the countries' national cyber security agencies and acknowledged cross fertilisation in the development of their national security strategies.**

UK-Israel commercial cooperation in cyber is growing stronger. **Israeli cyber security experts play an important role maintaining London's status as a safe and secure global financial centre – the UK financial sector being a prime target for cyber-attacks.** An increasing number of UK banks and finance companies are working with Israeli cyber security companies to protect their operations.

A large proportion of UK arms sales to Israel are dual use goods for non-military use, such as components for guidance/navigation equipment, communication equipment and radar technology. **UK arms sales to Israel reportedly account for less than 1 per cent of total Israeli military imports.**

**Israel is estimated to be the third-largest arms supplier for Britain.** A major focus of recent years has been Unmanned Aerial Vehicles (UAVs), anti-tank guided missiles, targeting systems for British fighter jets, and military flight training systems.

**The UK Government has for decades been committed to Israel's security, understanding the value of a pro-Western liberal democracy in a volatile region like the Middle East. Israel has viewed the UK as a significant bridge to Europe, with a more supportive foreign policy vis-à-vis Israel than other European Union member states as well as its own commitment to a strong trans-Atlantic relationship.**

**The large Conservative victory in the December 2019 election, combined with Britain's departure from the EU, could serve to deepen and enhance the Britain-Israel security partnership** as Britain seeks to redefine its foreign policy and security strategy while strengthening relations with allies outside of Europe.

**The UK and Israel share many common foreign policy priorities due to Britain's long-standing presence in, and commitment to, the Middle East** – including the fight against radical Islamist terrorism, the British military deployment to Syria, support for the Hashemite Kingdom in Jordan, and the isolation of Hezbollah in Lebanon.



**Iran poses a significant strategic threat to both Israel and Britain.** Israel feels the threat far more acutely due to its relative geographic proximity, the presence of heavily armed Iranian proxies on its border and Tehran's overt commitment to destroy Israel. The Islamic Republic has posed a major challenge to UK interests since its inception in 1979.

**Israel and the UK share four overlapping areas of concern with respect to Iran:** (1) preventing Iran achieving a nuclear capability; (2) curbing its advanced missile programme; (3) countering Iranian proxies in the wider Middle East, particularly in Lebanon, Syria, Iraq, Yemen and the shipping lanes of the Gulf; and (4) the Islamic Revolutionary Guard Corps' (IRGC) international network of terrorist organisations.

**The UK's resolve – along with France and Germany – to stick with the 2015 JCPOA nuclear agreement is being severely tested** as Iran violates commitments agreed to in the deal, in protest at the US withdrawal from the deal in May 2018 and the imposition of sanctions. **This is an area of divergence between the UK and Israel due to the lead role played by Israel against the agreement.**

**Another area of increasing diplomatic divergence between Israel and the UK is with respect to Israeli-Palestinian relations.** The current Israeli government has increasingly voiced its intent to apply Israeli sovereignty to West Bank settlements and the Jordan Valley. The UK has remained firmly committed to its traditional policy positions on the issue, including support for an end to the Israeli-Palestinian conflict via a two-state solution, with a safe and secure Israel alongside a sovereign and viable Palestinian state established on the pre-1967 armistice lines (with agreed land swaps) as the border of this new state, with East Jerusalem as its capital and a negotiated settlement to the Palestinian refugee question.

**The UK government provides targeted financial assistance and technical advice to the Palestinian Authority, Palestinian civil and business society and provides humanitarian and development support to Gaza.** From 2011 to 2017 the UK government provided more than £500m in assistance to the Palestinians, focusing primarily on PA governance and security; rights and refugees (including assistance to the UN Relief and Works Agency for Palestine Refugees, or UNRWA); and promoting economic development in the Palestinian Territories.

**The Israeli security establishment views such financial aid as an extremely valuable stabilising force,** since a pillar of Israeli military strategy in both the West Bank and Gaza Strip has been to improve economic and humanitarian conditions



precisely as a bulwark against terrorism and violence.

**UK-Israel defence ties have expanded significantly in recent years and are becoming increasingly formalised.** The two countries cooperate on issues of security, intelligence, training and weapons development, a relationship that has increased in importance in recent years as both share multiple areas of mutual concern, including terrorism, refugees, cybersecurity and Iran.

**Underpinning the close bilateral security relationship are shared values,** with the recognition for the UK that Israel is a pro-Western ally in a tumultuous region whose military has valuable operational and technological capabilities. For Israel, too, there are few armed forces like the British, as one Israeli official told BICOM, from which “we can learn something real”.

**On the land, British and Israeli forces face common challenges in the form of asymmetric conflicts, and British forces have learnt from Israel’s experience** – often described as the IDF’s “constant friction” – tackling the challenge of irregular/non-state forces operating in urban environments.

**In the air, the past year witnessed a blossoming partnership between the Royal Air Force (RAF) and the Israeli Air Force (IAF).** The IAF for the first time participated in the RAF’s prestigious Cobra Warrior exercise, which marked the first ever Israeli fighter deployment to the UK. The two air forces (and the Royal Navy’s Fleet Air Arm) also carried out joint manoeuvres along with the US Air Force over the eastern Mediterranean in an exercise called “Tri-Lightning” – the first ever to include the new F-35 “stealth” fighters from all three air forces.

**In terms of cyber security, both Britain and Israel are generally recognised as two of the world’s five cyber superpowers.** Government-to-government co-operation between the UK and Israel in cyber security is strong and has been described by a senior UK official as a “first-order partnership”.

**At sea, UK-Israeli naval ties are less developed relative to other military branches, given Israel’s more limited maritime capabilities and scope, yet discussions have taken place with regard to potentially increasing this area of co-operation.** Israeli ports have previously hosted the Royal Navy and, in addition, the UK is the only European country to join US-led efforts to patrol in the Gulf in order to deter malign Iranian activity in the area. Israel greatly appreciates the British navy’s overall presence in the region.



**Public attitudes in the UK towards Israel have been remarkably stable since 2011.** Warmth towards Israel has remained stable in a range between 18 and 21 per cent since 2011 and warmth towards the Palestinians has remained largely stable in a range between 18 and 23 per cent.

**46 per cent of respondents in a recent BICOM/Populus poll agreed with the statement that: “I don’t boycott goods or produce from Israel and find it difficult to understand why others would single out Israel to boycott given everything else that’s going on in the world”.** 14 per cent of respondents disagreed with the statement and 40 per cent did not know.

**The UK Government announced in the Queen’s Speech on 19 December 2019 that it will introduce new laws to make it illegal for UK public bodies to conduct their own foreign policy, including boycotts and divestment of Israel.** As Prime Minister Boris Johnson stated, the bill will: “[S]top public bodies from taking it upon themselves to boycott goods from other countries, to develop their own pseudo foreign policy against countries, which with nauseating frequency turns out to be Israel”.

**The UK and Israel are, as former Foreign Secretary William Hague once said, “scientific superpowers”.** It is no surprise then that science and technology stand at the cornerstone of the UK-Israel relationship, encompassing today not just economics and business, too, but education and research writ large.

**The flagship of the UK-Israel relationship in terms of scientific research collaboration has long been the Britain Israel Research and Academic Exchange (BIRAX).** Since its establishment, BIRAX has provided more than £10m for joint biotech research projects between British and Israeli scientists – initially for 19 projects relating to Regenerative Medicine, and more recently for an additional seven projects (over the course of the next three years) focusing on stem cells and ageing.

**Another major framework of cooperation is Horizon 2020, the European Union’s 70bn Euro consolidated fund for research and innovation projects, of which the UK is a leading member and Israel an associate member (as one of the first non-EU countries to join the initiative).**

**Joint UK-Israel academic projects have greater citation impact in academic journals than the two countries alone,** a testament to the quality of the research collaborations and bilateral investments in education.



**British culture has for the past several decades been a mainstay in Israel, while Israeli cultural events in the UK have flourished in recent years despite sporadic campaigns for them to be boycotted.** In all areas – from music, food, film and television, to theatre, the arts, literature and football – Britain-Israel cultural ties are only increasing in size.

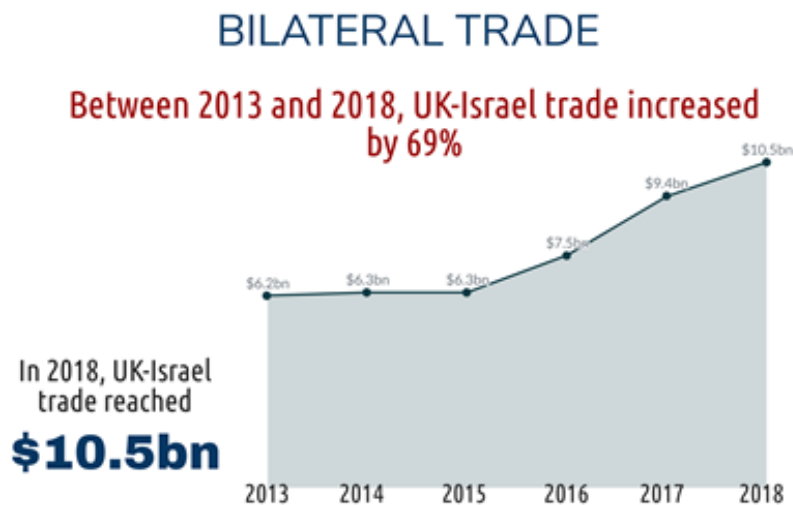
**Of note, Prince William’s visit to Israel in June 2018 – the first official visit by a member of the Royal family – was hailed as an affirmation of bilateral ties** and showcased, as the Prince put it, the comparable “innovation, diversity, talent and excellence” of both countries. Cultural ties were a key element of the itinerary.





# Chapter 1 | Economy and Trade

In 2018, UK-Israel bilateral trade was worth \$10.5 billion, an increase of 72% since 2012. Bilateral trade has steadily increased from \$6.1bn in 2012, to \$7.5 bn in 2015 and \$9.4bn in 2017.



**ISRAEL EXPORTS TO THE UK:** The UK is Israel's third largest export market, behind the US and [China](#), with goods totalling \$4.3bn, although this represents a drop of approximately \$800m from 2017 when the UK was Israel's second largest export market. Notable in terms of Israel's exports to the UK are pharmaceutical products (see Pharma section), precious stones, plastic products, machinery and mechanical appliances, electrical machinery and equipment, and fruit and vegetables. Products which saw a significant increase from 2017-2018 include mineral fuels and mineral oils, plastics and iron/steel products.

### Israel Exports to UK by Commodity

| Commodities                                       | 2012 value<br>(millions of \$) | Percentage<br>Increase/Decrease | 2018<br>value<br>(millions of \$) |
|---------------------------------------------------|--------------------------------|---------------------------------|-----------------------------------|
| Vegetables                                        | 57.5m                          | ▼ 32%                           | 39.5m                             |
| Fruit                                             | 58.9m                          | ▲ 3%                            | 61m                               |
| Fruit and Vegetables<br>(Combined Value)          | 116.5m                         | ▼ 14%                           | 100.4m                            |
| Pharmaceutical products                           | 1,860m                         | ▲ 52%                           | 2,806m                            |
| Plastic and its products                          | 197.7m                         | ▲ 4%                            | 205.1m                            |
| Pearls, precious stones,<br>precious metals       | 484.2m                         | ▼ 12%                           | 424.7m                            |
| Machinery and mechanical<br>appliances            | 209m                           | ▼ 33%                           | 140.7m                            |
| Electrical machinery and<br>equipment             | 179.6m                         | ▼ 27%                           | 130.3m                            |
| <b>Overall value of exports (\$<br/>billions)</b> | <b>3.57bn</b>                  | <b>▲ 21%</b>                    | <b>4.34bn</b>                     |

Data from Israel's Central Bureau of Statistics



**UK exports to Israel:** UK exports to Israel were worth \$6.15bn in 2018, with \$3.8bn for mineral fuels, mineral oils and their products, e.g. crude oil. Notable trade deals included a \$1bn agreement for Rolls-Royce to supply Trent jet engines to El-Al for its new Dreamliner fleet, as well as Scotch whisky sales increasing by 300 per cent since 2012. One UK product in increasing demand in Israel is luxury cars – Bentley recently opened an outlet in Israel, and Israel is the second largest market for Aston Martin cars in the Middle East.



## UK exports to Israel by commodity

| Commodities                                                                            | 2012 value<br>(millions of \$) | Percentage<br>Increase/Decrease | 2018 value<br>(millions of \$) |
|----------------------------------------------------------------------------------------|--------------------------------|---------------------------------|--------------------------------|
| Various types of sugar and sweets                                                      | 236.1m                         | ▼ 85%                           | 34.9m                          |
| Mineral fuels, mineral oils and their products; Bituminous materials and mineral waxes | 27.2m                          | ▲ 14,129%                       | 3,800m                         |
| Organic chemicals                                                                      | 56.3m                          | ▼ 55%                           | 25.4m                          |
| Pharmaceutical products                                                                | 157.4m                         | ▲ 23%                           | 205.3m                         |
| Plastic and its products                                                               | 60.9m                          | ▲ 241%                          | 205.1m                         |
| Pearls, precious stones, precious metals                                               | 588m                           | ▼ 94%                           | 30.4m                          |
| Machinery and mechanical appliances                                                    | 362.4m                         | ▲ 30%                           | 473.4m                         |
| Electrical machinery and equipment                                                     | 163.8m                         | ▲ 68%                           | 275.7m                         |
| Vehicles and their parts                                                               | 205m                           | ▼ 33%                           | 136.4m                         |
| Optical, photographic, medical and measuring instruments                               | 93.2m                          | ▲ 19%                           | 111.6m                         |
| Furniture, bedding, lamps, medical furniture                                           | 13.2m                          | ▲ 17%                           | 15.4m                          |
| Iron or steel products                                                                 | N/A                            |                                 | 184m                           |
| <b>Overall value of exports (\$ billions)</b>                                          | <b>3.6bn</b>                   | <b>▲ 136%</b>                   | <b>6.2bn</b>                   |

Data from Israel's Central Bureau of Statistics



### *What is driving the increase in trade?*

In recent years, the UK Government has been working to create a stronger trade relationship with Israel – particularly with Israel emerging as an innovation hub in a number of important industries. In early 2019 Israel became the first country to sign a post-Brexit continuity trade agreement with the UK. After the British



withdrawal from the European Union, the agreement calls for the establishment of stronger ties between the two countries including preferential tariffs and quotas, provisions on the rules of origin, limited areas of services, competition and intellectual property rights, government procurement and conformity assessment of industrial products.

The UK's position as the largest financial service centre in the world – in 2017 UK financial services generated £68bn, nearly equal to the US, Switzerland, and Luxembourg, the next three leading net exporting countries combined – makes the country an incredibly attractive prospect for Israel, which relies heavily on foreign direct investment to fuel its start-up economy. There are 29 Israeli firms on the London Stock Exchange, with listings of \$17.1bn. In 2017, the London Stock Exchange Group worked with the Israeli government on its Sovereign Bond issuance, which was 4.3 times over-subscribed, showing strong UK investor interest in the Israeli economy. More than 500 Israeli companies now have a physical presence (office, warehouse, service centre, plant etc.) in the UK; their investments have provided thousands of jobs in a range of sectors, notably pharmaceuticals, defence, ICT, mining, food processing and plastics manufacturing.

The Brexit referendum has not stopped Israel's business interests in the UK. Since June 2016, 65 Israeli companies have set up or expanded their activity in the UK, creating 1,500 jobs. Israeli funds and institutional investors have invested more than £500 million in the UK, including the Fattal Group's 2017 purchase of the Jury's Inn Hotel chain, 2018 acquisition of the Midland Hotel in Manchester, and four lease ac-



*UK Israel Tech Hub at a Northern Health Science Alliance meetup in Tel Aviv.  
Photo courtesy of the British Embassy in Israel.*



quisitions of Grange Hotel properties in central London. Indeed, in September 2019 Virgin Atlantic inaugurated a new London-Tel Aviv route.

### *Technology & Innovation*

The UK became the first country to establish a special mission to Israel to bolster tech cooperation when it created the UK Israel Tech Hub in 2011. The Tech Hub is stationed in the British Embassy in Tel Aviv and has become an important incubator for generating tech partnerships between UK and Israeli firms. Between 2012 and 2018, the hub generated 175 partnerships worth £85m, which it estimated to have boosted the UK economy by £800m.

A memorandum of understanding (MOU) focusing on innovation was signed in June 2018 between UK Research & Innovation (UKRI), a government-funded NGO, and the Israel Innovation Authority. The agreement supports business-to-business research and development via a multiyear £4m bilateral programme. Companies in 3D printing and biotech have received funding through this mechanism, allowing them to establish joint UK-Israel ventures.

The UK has no plans to decrease its Tier 1 visa program to attract international talent, including in the vital fields of tech and innovation – likely ensuring that high-value Israeli nationals are able to continue working in the UK.

A senior Israeli government official told BICOM that UK Foreign Direct Investment (FDI) in Israel reached £260m in 2016. 2009 acquisition by UK private equity firm Apax Partners of Psagot, Israel's largest investment house; the 2015 acquisition by UK chip maker ARM of Israeli cyber security firm Sansa Security; and the 2016 agreement by Rolls Royce to provide new engines for El Al planes. Other significant agreements include:

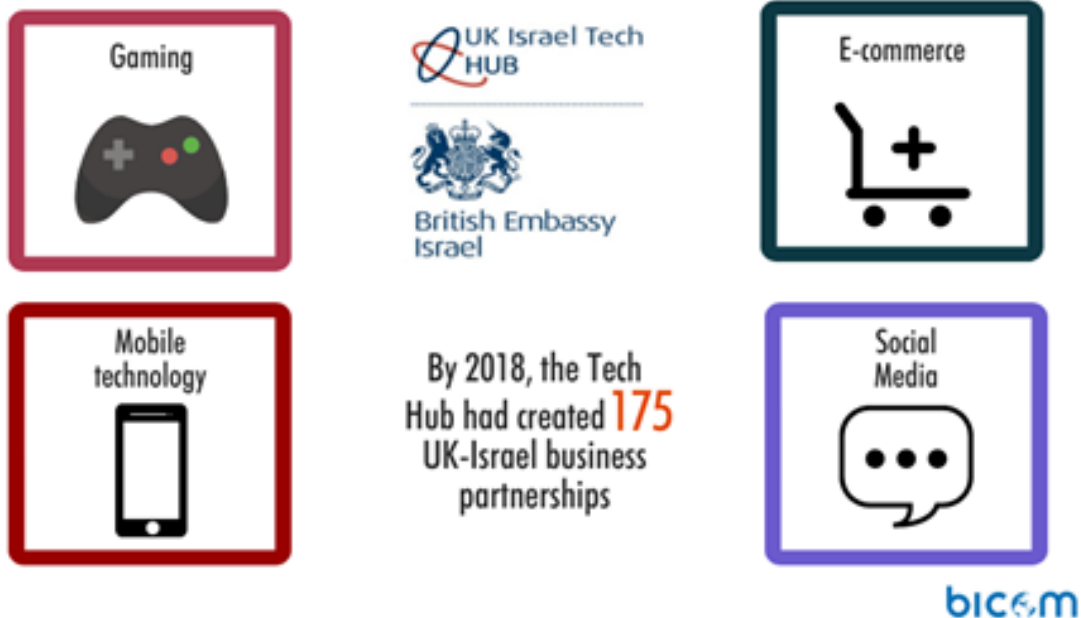
- TadaKu, an Israeli start-up which monitors London's water systems from its base in Tel Aviv, working to alert Thames Water to leaks and conserving water in the event a problem is detected.
- In 2016, the Israeli-created Gett Taxi app became the largest black cab taxi app in the UK, operating in 25 major cities.
- The 2019 investment for an undisclosed sum by Tesco in checkout-free technology company Trigo Vision.





# UK-ISRAEL TECH HUB

The UK is the first and only country to create a government-sponsored tech mission to increase tech cooperation with Israel



## *Research and Development, Healthcare*

A senior Israeli government official told BICOM that the UK's interest in Israel stems primarily from the global trend towards tech, artificial intelligence and big data technology. Indeed, a high-level UK delegation consisting of nearly 20 female British entrepreneurs visited Israel in March 2019 to learn more about AI and big data. As a result Israel – with the highest expenditure on R&D as a percentage of GDP in the world – is an attractive market for global companies, including British multinationals. By one estimate Israel spends 4 per cent of GDP on R&D, while the UK in 2017 spent 1.69 per cent of GDP; the goal, according to one UK official, was to increase this figure to 2.4 percent of GDP by 2027.

An Israeli who works with British companies at a Jerusalem-based investment incubator for early-stage tech firms told BICOM: “What’s attractive for British companies is often the interface between Israeli expertise, the country’s geographical proximity to Europe, and the professional care that international companies receive in Israel because the market here is still relatively small”. According to Leumi UK, the UK accounts for the second highest number of foreign R&D centres in Israel. However, the UK Tech Hub says that less than 20 out of the 350 R&D centres in Israel come from UK-based corporations, revealing significant potential for expansion.





Israeli based pharmaceutical companies are increasingly playing a vital role in UK health care, and Israeli tech companies are now leading the digitalisation of the NHS.

Following Prime Minister David Cameron's visit to Israel in 2014, Teva, an Israeli pharmaceutical company specialising in affordable prescription drugs, announced a £12m investment in clinical development in the UK, and pledged an additional £600,000 to support research into dementia. TEVA employs 1,500 staff across a number of UK sites including 220 in West Yorkshire alone.

Indeed, Teva UK is involved in at least eight projects with the NHS, spread from Bristol to Gloucestershire to Sheffield, several of which are connected to inhalers and asthma management while others focus on training and education for healthcare professionals. As the British Generic Manufacturers' Association has shown, more than two thirds of all medicines dispensed by the NHS are generics yet account for only around 29 per cent of the NHS's total drugs bill – a saving of more than £10bn just in England and Wales. Based on the amount of generics Teva provides the NHS, Teva estimates that it contributes more than £2.9bn of these savings per year. While some may have been earmarked for re-export, writ large, the UK imported over \$2.8bn worth of Israeli pharmaceutical products in 2018 (although this was down from a 2017 peak of more than \$3.6bn).



*British Ambassador to Israel David Quarrey and Head of Corporate Affairs for the Northern Health Science Alliance (NHS), Suzanne Ali-Hassan, at the signing of a MOU during the MIXiii Biomed 2018 conference in Tel Aviv, 16 May (MIXiii Biomed 2018).*



Israel is a pioneer in the field of healthcare digitalisation, with 100 per cent electronic medical records and two decades experience implementing healthcare IT solutions.

In February 2019, UK Health Secretary Matt Hancock unveiled NHSX, a new body to lead the digital transformation of healthcare. NHSX CEO Matthew Gould is the former UK Ambassador to Israel and well placed to tap into the vast opportunities that Israeli tech companies provide. In late 2018, the NHS's national clinical lead for innovation, Prof. Tony Young, visited Israel and announced that contacts had begun with six Israeli companies interested in establishing a foothold in the UK and using NHS hospitals as trial sites. One test case, Upright Technologies, an Israeli company that developed a device for keeping proper balance, will try out its product on 1,000 NHS patients. Another Israeli healthcare startup, Healthy.io, which uses smartphones to bring professional-grade medical testing directly to patients, recently hired a Chief Commercial Officer for the UK – the firm's first senior hire outside of Israel.

The UK-Israel Dangoor Initiative, a health accelerator programme aimed at connecting Israeli start-ups in digital health with the NHS, aims to bring six Israeli technologies to the UK per year. In April 2019, Neurotech Solutions, Day Two and Orpheus Medical came to London as part of the programme to showcase their tech solutions, which comprised an online tool for diagnosing ADHD, an algorithmic tool to identify foods that balance blood sugar levels, and a video and image database of surgery that links to the patient's record.

In February 2020, several leading British healthcare organisations, including AstraZeneca, Care UK, and Walgreens Boots Alliance, were set to host 10 Israeli health startups for meetings in the UK. The summit is meant to provide solutions for, and technological advantages to, the UK health system, including on issues such as over-crowded clinics and resource shortages. Organising the event are the British Embassy in Israel, the UK-Israel Tech Hub, and its TeXchange programme.

Such initiatives will undoubtedly help ensure the UK remains at the forefront of the healthcare revolution.

## ***Cyber***

Government-to-government cyber cooperation between the UK and Israel has been described by a senior UK official as a “first-order partnership”. Israel is widely recognised for its unique innovation ecosystem, with close interaction between government, military, academia and industry – a model which the UK





*Israeli Ambassador to the UK Mark Regev and former Science Minister Sam Gyimah MP at the opening of the London Stock Exchange in July 2018.*

has sought to emulate – and there are close working relationships between the countries’ national cyber security agencies and acknowledged cross fertilisation in the development of their national security strategies. In July 2019, the first ever cross-government UK-Israel dialogue on cybersecurity was held in Tel Aviv. According to one UK official, the respective delegations discussed: “Cyber policy structures and decision making, international norms and fora, capacity building, deterrence and attribution, and challenges and opportunities around new and emerging technologies”.

UK-Israel commercial cooperation in cyber is growing stronger. Israeli cyber-security experts play an important role maintaining London’s status as a safe and secure global financial centre – the UK financial sector being a prime target for cyber-attacks. An increasing number of UK banks and finance companies are working with Israeli cyber-security companies to protect their operations. In fact, one Israeli cyber expert told BICOM that: “Today, the vast majority of digital transactions and credit card e-commerce in the UK is essentially protected by Israeli technologies”. Director of Innovations for Royal Bank of Scotland (RBS) Kevin Hanley spoke highly of his company’s investment in Israel in a recent film, saying: “Our experience over the last couple of years of working in Israel is that there are some great technology capabilities. It’s a great centre for cyber security and biometric authentication, it’s a great centre for data and analytics, it’s a great centre for payments technology as well”.



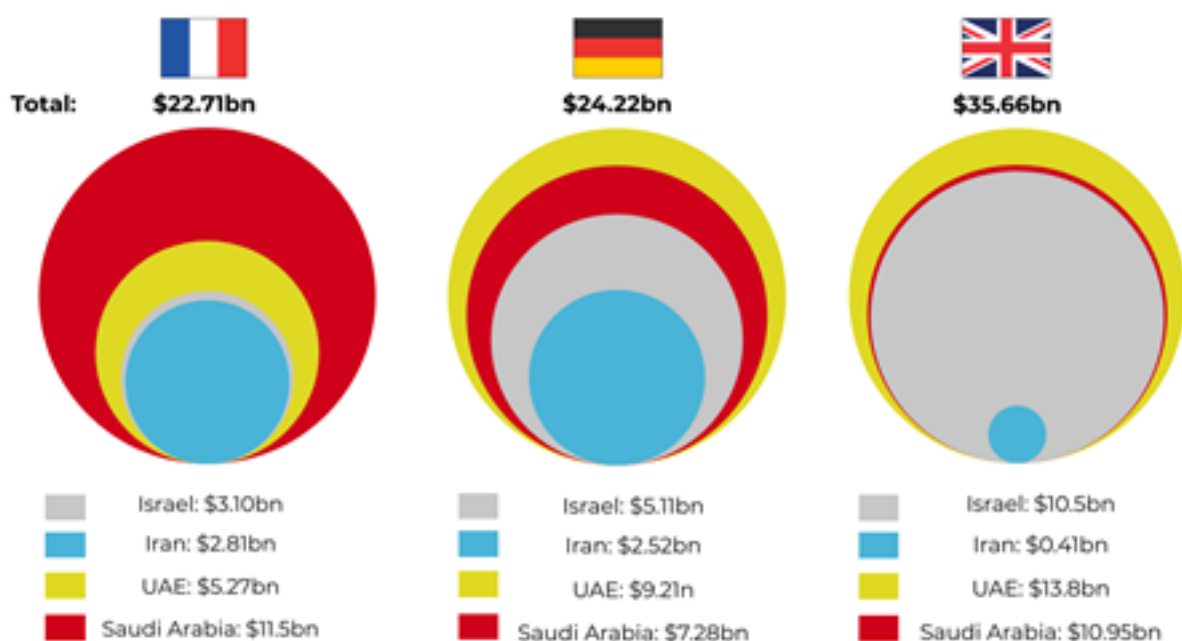
With many Israeli cyber companies involved in the British market, several UK firms have joined the growing list of multinational corporations establishing cyber security centres in Israel, with a focus on R&D, scouting, innovation, and acceleration platforms. In September 2017, HSBC opened a Cyber Hub in Tel Aviv, joining Barclays and RBS, who also have a presence in Israel, as well as UK chip designer ARM, which in 2017 announced an expansion of its Israel operation from 200 to 350 engineers. In 2017, Aviva Insurance, BT, Goldman Sachs, RBS and Visa hosted Israeli cyber-security start-ups for a series of events in London.

## Arms Sales

According to the UK-based Campaign Against Arms Trade (CAAT), the largest UK export licences to Israel between 2015-2018 were for technology for military radars (£182m), military aircraft head-up/down displays (£51m), and components for decoying/countermeasure equipment (£20m). These deals make up 90 per cent of the total UK arms sales to Israel, which reportedly account for less than 1 per cent of total Israeli military imports.

A large proportion of UK military exports to Israel are dual use goods for non-military use, such as components for guidance/navigation equipment, communication equipment and radar technology. Also, within those licenses that are for military goods, the majority are for components rather than complete systems or sub-systems, and many UK licences for military equipment are for components for incorporation into US-man-

## UK-Israel trade in context (2018)



\*According to French, German and British government figures

bicom





ufactured equipment, such as the F-15 or F-35, which are then re-exported to Israel. In contrast, Israel is estimated to be the third-largest arms supplier for Britain. A major focus of recent years has been Unmanned Aerial Vehicles (UAVs), including the delivery of some 25 Hermes-450 UAVs, produced by Israel's Elbit Systems, for use by British forces in Iraq and Afghanistan between 2007 to 2011. The aforementioned project was part of a more ambitious £1bn programme to develop the British 'Watchkeeper' UAV on the basis of the Hermes-450, including a £300m deal for the production, mostly in the UK, of the Hermes-450. According to reports, the 'Watchkeeper' is intended to be a superior Unmanned Air System, providing British forces with advanced intelligence, surveillance, target acquisition and reconnaissance (ISTAR) capabilities; from 2012 to 2016 the Royal Artillery received delivery, and deployed in the field, a reported 54 'Watchkeepers'.

In the past, Israeli exports to the UK have also included the Spike-NLOS, a fourth-generation fire-and-forget anti-tank guided missile which was developed and designed by Israel's Rafael Advanced Defense Systems and used by British forces in Iraq. The Spike-NLOS was later renamed the Exactor Mk. I and II. Between 2006 and 2008 Israel exported the Litening advanced precision targeting pod system (in a deal worth £56m) for British use in its Eurofighter Typhoon and Tornado combat aircraft.

In 2016, Israeli company Elbit Systems, together with Kellogg, Brown and Root, its UK joint venture partner, won a UK contract valued at £500 million for the delivery of the UK Military Flight Training Systems Programme.

Senior British and Israeli officials have told BICOM that there are plans underway to develop additional common defence platforms (along with other countries), in an effort to bridge mutual gaps relating to common military threats. Such plans take years, if not decades, to come to fruition, these officials made clear – a testament in itself of the growing depth and horizon of UK-Israel defence ties.



## Chapter 2 | Foreign Affairs and Defence

### *Introduction*

Israel and the UK are close partners in defence and security and on most – but not all – foreign policy issues there is wide agreement and common purpose. Defence cooperation in particular is a top priority for both sides, as evidenced by the increasingly formalised bilateral relationship in recent years.

The UK Government has for decades been committed to Israel's security, understanding the value of a pro-Western liberal democracy in a volatile region like the Middle East. Israel has viewed the UK as a significant bridge to Europe, with a more supportive foreign policy vis-à-vis Israel than other European Union member states as well as its own commitment to a strong trans-Atlantic relationship.

The large Conservative victory in the 12 December 2019 election, combined with Britain's departure from the EU, could serve to deepen and enhance the Britain-Israel security partnership as Britain seeks to redefine its foreign policy and security strategy while strengthening relations with allies outside of Europe.



*HMS Bulwark docked in Haifa port, November 2016.*





## ***Foreign Policy***

The UK and Israel have many common foreign policy priorities due to Britain's long-standing presence in, and commitment to, the Middle East.

The fight against **radical Islamist terrorism**, with emphasis in recent years on the Islamic State, is a mutual priority. British support for Syrian refugees, involvement in Operation Inherent Resolve and deployment of military personnel to Syria was viewed as very important by Israel – not least due to the check it provided on Iranian ambitions in **Syria**.

British financial and military support to **Jordan** is likewise an area of common purpose, with the stability of the Hashemite Kingdom viewed as a strategic priority by Israel which shares its longest border with Jordan. The military and intelligence services of both Israel and Jordan cooperate closely against mutual threats like Islamist terrorism and Iranian encroachment.

With respect to **Lebanon**, Israel praised the UK's decision in February 2019 to designate all of Hezbollah as a terrorist organisation. Israel would like to see more pressure – political and economic – on the Lebanese government, to stop the deployment of Hezbollah personnel in Southern Lebanon and the build-up of its missile arsenal in contravention of UN Security Council Resolution 1701. British support to the Lebanese Armed Forces (LAF) is intended to assist the LAF to become the dominant military force in the country. Israel, however, is concerned that the LAF and Hezbollah cooperate closely and has made clear that in any future conflict the LAF may be a legitimate target if it joins the fighting alongside Hezbollah.

The close foreign policy ties between the two countries have been underlined by Israeli Prime Minister Benjamin Netanyahu's many visits to London since 2009. Prime Minister Boris Johnson visited Israel as London Mayor in November 2015 and as Foreign Secretary in March 2017.

## ***Iran***

Iran poses a significant strategic threat to both Israel and Britain. Israel feels the threat far more acutely due to its relative geographic proximity, the presence of heavily armed Iranian proxies on its border and Tehran's overt commitment to destroy Israel. The Islamic Republic has posed a major challenge to UK interests since its inception in 1979. The revolutionary regime is founded on a radical Islamist ideology, which frames Western influence as culturally toxic and politically





*Iranian Foreign Minister, Javad Zarif, alongside former UK Foreign Secretary Philip Hammond and other signatories to the Joint Comprehensive Plan of Action, July 2015.*

malign. The UK, due to its legacy of activity in Iran in the 19th and 20th centuries and role running the domestic oil industry, is closely associated with the ‘Great Satan’ of the US. As a result, the UK has endured a tense relationship with Iran, closing its diplomatic missions in Tehran on a handful of occasions. Most recently, in 2011, as the UK took a leading role in escalating international sanctions in response to Iran’s nuclear programme, the UK embassy was ransacked by a pro-regime mob. The UK only restored full diplomatic relations in 2016 when then Foreign Secretary Philip Hammond visited Tehran.

The 2015 JCPOA agreement led to an improvement in UK-Iran relations. Bilateral trade increased by 42 per cent from January to October 2016 and 57 per cent in the same period in 2017, and British Airways began flying direct from London to Tehran but were suspended in 2018. After significant increases in 2016 and 2017, however, total trade between the UK and Iran decreased by 25 percent in 2018, standing at £315m, roughly equal to the level seen in 2011.

One of the UK’s most pressing foreign policy issues is the containment of the crisis with Iran over the Joint Comprehensive Plan of Action (JCPOA), and heightened tensions with Iran in the Persian Gulf. In 2019 the UK deployed naval assets to ensure free shipping in the Gulf, while the UK is also working to secure the release of Nazanin Zaghari-Ratcliffe, a British-Iranian dual national who has been detained in Iran since April 2016 after being convicted of espionage. The UK’s other major regional consideration is its close relationship with Sunni Gulf monarchies, who also perceive Iran to be a direct threat to their security and stability.



As a result of this confluence of interests, Israel and the UK share four overlapping areas of concern: (1) preventing Iran achieving a nuclear capability; (2) curbing its advanced missile programme; (3) countering Iranian proxies in the wider Middle East, particularly in Lebanon, Syria, Iraq, Yemen and the shipping lanes of the Gulf; and (4) the Islamic Revolutionary Guard Corps' (IRGC) international network of terrorist organisations which have attacked Israeli and Jewish targets across the world and were (according to reports) planning an attack in the UK.

The UK and Israel cooperate on these issues through a range of channels, from high level political and diplomatic contacts to intelligence sharing. Such cooperation and partnership have been enhanced in recent years. Even when there were disagreements – for example over the viability of the JCPOA agreement – London kept lines of communication open and regularly updated the Israeli government during negotiations on the JCPOA nuclear deal.

The 3 January 2020 killing by the US of IRGC Quds Force commander Qassem Soleimani increased tensions in the region but was also viewed by some as a bold, audacious strike that changed the preconceived calculations on all sides. Although neither the UK nor Israel were directly involved in the operation, both governments were quick to support the US. In the UK, both Prime Minister Boris Johnson and Foreign Secretary Dominic Raab defended the US action, with Johnson calling Soleimani: “[A] threat to all our interests and ... responsible for a pattern of disruptive, destabilising behaviour” in the Middle East. Prime Minister Netanyahu stated that: “President [Donald] Trump deserves all the credit for acting swiftly, forcefully and decisively. Israel stands with the United States in its just struggle for peace, security and self-defence”.

### ***The JCPOA nuclear deal***

The UK's resolve to stick with the 2015 nuclear agreement is being severely tested as Iran violates some of its commitments, in protest at the US withdrawal from the JCPOA in May 2018 and the imposition of sanctions. The UK still believes the deal is the best vehicle with which to address the Iranian nuclear threat. At the beginning of November 2019 the UK government noted Iran's further “reduction in compliance” of the nuclear deal, with Foreign Secretary Raab stating: “Iran's latest actions contravene the deal and pose a risk to our national security. We want to find a way forward through constructive dialogue but Iran needs to stand by the commitments it made and urgently return to full compliance”.

The UK has tried, along with France and Germany (the so-called E3), to preserve the agreement. British ministers have argued that the deal represented nuclear



counter-proliferation through international law and UN-backed diplomacy, and abandoning it increased the risk of proliferation, a nuclear arms race and war. UK officials have further argued that the deal pushed Iran back from the nuclear threshold, lengthening its breakout time from a few months to at least a year and closed off the plutonium track completely.

In early July 2019, following the US “maximum pressure” campaign and Iranian aggression in the Gulf, Prime Minister Johnson described the JCPOA as “looking increasingly frail”, but he emphasised that: “I continue to believe that engaging with Iran and persuading Iran not to go forward with a nuclear weapons programme is the right way forward for our country and for the region”.

Israeli Prime Minister Netanyahu has been a vocal opponent of the deal from its inception and is partly credited with convincing US President Donald Trump to withdraw from the agreement.

Since the JCPOA was signed, Israel has made numerous intelligence revelations exposing the extent and ambition of Iran’s nuclear project, in particular, when Israel revealed in April 2018 a secret nuclear archive spirited out of Tehran by the Mossad. Israeli intelligence shared the discovery with its closest allies, including the UK. In September 2018, Israel exposed a secret nuclear warehouse in Turqezabad, while in September 2019 Israel found another site near Abadeh, south of Isfahan, where Iran allegedly conducted experiments to develop nuclear weapons.

In the aftermath of Qassem Soleimani’s death in January 2020, Iran announced its fifth violation of the JCPOA nuclear deal, indicating it would no longer abide by any of the nuclear limits set out in the agreement such as uranium enrichment, the number of advanced centrifuges it operates, the level of enriched uranium stored and other research and development actions. Prime Minister Johnson along with his French and German counterparts issued a joint statement that said: “We specifically call on Iran to refrain from further violent action or proliferation, and urge Iran to reverse all measures inconsistent with the JCPOA”.

In mid-January 2020, the E3 indicated its intention to trigger the Dispute Resolution Mechanism – with the possibility of re-imposing international sanctions – due to Iran’s violation of commitments made under the JCPOA.





## *Iran's missile programme*

**Ballistic missiles:** One of Israel's critiques of the JCPOA is that it did not address Iran's ballistic missiles programme. Then Foreign Secretary Boris Johnson expressed concern about Iran's missile arsenal. In a written statement to the House of Commons in October 2017, Johnson said: "The Government share serious concerns about Iran's ballistic missile programme and its destabilising activity in the region. Addressing these issues is a fundamental part of the Government's policy towards Iran and we will consider further appropriate measures".

Last year Britain, along with France and Germany, condemned Iranian testing of medium range ballistic missiles (that have the capacity to carry nuclear warheads). One of the missiles tested was reportedly the Khorramshahr medium-range ballistic missile capable of reaching Europe. In April 2019, the E3 wrote to the UN secretary-general criticising Iran's attempts to launch a satellite calling it "inconsistent" with United Nations Security Council Resolution 2231.

As retaliation for the killing of Qassem Soleimani, Iran fired 15 missiles at two Iraqi military bases housing US forces; the strikes caused minimal damage and no casualties, but underscored the missile capabilities in Iran's possession.

**Precision guided missiles:** Of chief concern for Israel is Iran's [escalated](#) proliferation of strategically game-changing precision-guided missile technology to Hezbollah and to the Houthis in Yemen, as BICOM laid out in a 2019 [paper](#). There are also concerns that Iran has equipped Shia militias in Iraq with similar missile



*The UK-flagged Stena Impero tanker, seized by Iran on June 19, 2019.*





capabilities – all in violation of multiple United Nations Security Council resolutions, including 2231, 2216 and 1540.

### ***Regional Activities***

Iran's efforts to spread the Islamic revolution and destabilise regional competitors has, according to some analysts, increased since the signing of the JCPOA in 2015. According to a recent [BICOM paper](#), Iranian funding is estimated at: \$700m per year to Lebanese Hezbollah; \$100m+ per year to the Houthis in Yemen; up to \$1bn per year to Shia militias in Iraq; and \$100m per year to Hamas and Islamic Jihad in the Palestinian Territories. In Lebanon, Hezbollah constitutes the strongest non-state military force in the world. Iran still seeks to establish a [land corridor](#) to the Mediterranean, which has the potential to accelerate sharply the shipment of weapons and personnel to southern Lebanon and the Syrian Golan Heights in an attempt to open a new front against Israel.

Israel has since 2017 bombed hundreds of Iranian-affiliated targets in Syria. After one such engagement, in February 2018, then Foreign Secretary Boris Johnson said: “We support Israel’s right to defend itself against any incursions into its territory”. He also referred to the “disgraceful behaviour of the Islamic Revolutionary Guard Corps and the missiles that are fired from Syria at Israel and elsewhere”. In Summer 2019, Prime Minister Netanyahu confirmed Israel was also acting militarily in Iraq, likely against Shia militia targets.

In 2019, Iran threatened to cut off the Straits of Hormuz, a vital transit route for 30 per cent of the world’s oil supply. Six oil tankers sailing through the Straits have been damaged since May of that year in apparent sabotage operations by Iran, and in July Iranian forces seized the UK-flagged oil tanker, Stena Impero, in Omani waters. The seizure was believed to be retaliation for the UK seizure earlier that month of the Grace 1 super-tanker off Gibraltar, suspected of carrying Iranian oil bound for Syria in violation of EU sanctions. Following Iran’s seizure of the Stena Impero, the UK has increased its naval presence in the Gulf. Unlike other European powers, the UK joined the US-led maritime security mission and dispatched HMS Kent to the Gulf. The Times reported in September 2019 that HMS Montrose faced 115 confrontations with IRGC ships between July and September.

A month after being impounded, in August 2019 a Gibraltar court ordered the release of the Grace 1 Iranian tanker after receiving written assurances from Iran that it would not head to countries under EU sanctions. Yet the tanker, renamed



the Adrian Darya, switched off its transponder near the Syrian coast leaving unclear (although highly likely) the final destination of the oil. In parallel, two months after it was seized, the Stena Impero was released by Iran in September. A day earlier Iranian President Hassan Rouhani and Prime Minister Johnson met on the sidelines of the UN General Assembly in New York, in an effort to reduce tension between the two countries.

### ***Proscribing Hezbollah***

In February 2019, then Home Secretary Sajid Javid announced he was banning all of Hezbollah under the Terrorism Act 2000, bringing UK law into line with the US, Canada, Israel and the Arab League. As described in a 2019 [BICOM paper](#), the UK first banned what was then described as Hezbollah's "terrorist wing" in 2001, and its "military wing" followed in 2008 after the group targeted British soldiers in Iraq. Javid said: "We are no longer able to distinguish between their already banned military wing and the political party. Because of this, I have taken the decision to proscribe the group in its entirety". Anyone expressing support for any part of Hezbollah could in future face a prison sentence of 10 years. Following the announcement, Prime Ministers Netanyahu and May spoke on the phone, with Netanyahu saying Britain had set an important example for other nations to follow.

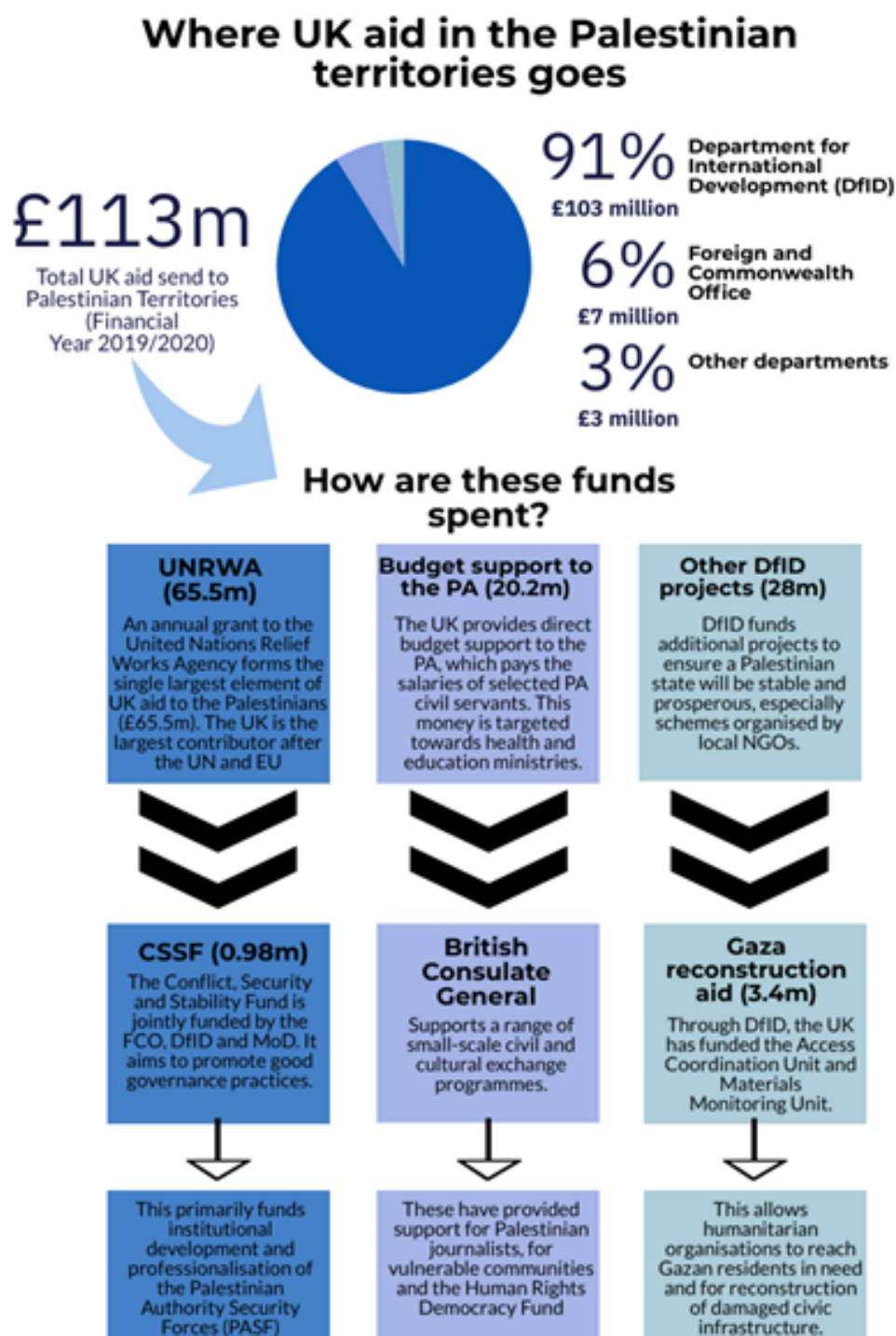
### ***Iran's worldwide terror network***

Israel has been ever vigilant since the devastating Iranian-orchestrated terrorist attack on a Jewish community building in Buenos Aires, Argentina in July 1994 that killed 85 people and injured hundreds. In 2012, Israeli tourists were attacked in Burgas, Bulgaria killing 6 people, also by Iranian-affiliated agents. After that attack Prime Minister Netanyahu said: "Just in the past few months, we have seen attempts by Iran to harm Israelis in Thailand, India, Georgia, Kenya, Cyprus and more. This is an Iranian terror attack that is spreading across the world. Israel will react forcefully to Iran's terror".

In July 2019, the Telegraph reported that the Metropolitan Police and MI5 uncovered a Hezbollah bomb plot in North London in 2015, just months before the UK signed the JCPOA agreement. The report noted that police discovered three tonnes of ammonium nitrate stored inside disposable ice packs when they raided four properties in north-west London, arresting a man on suspicion of planning a terrorist attack. The discovery of the bomb plot was reportedly assisted by in-



formation from Israel's Mossad. In addition, Iran has pursued assassination plots against regime opponents on European soil, including in the Netherlands, Denmark, and France, leading to new EU sanctions in January 2019. Much of UK-Israel intelligence cooperation is focused on the IRGC as well as international terrorism of the Sunni Islamist variety.



## *Israel, the UK, and Israeli-Palestinian relations*

One area of increasing diplomatic divergence between Israel and the UK is with respect to Israeli-Palestinian relations. Peace talks between Israel and the Palestinians have not resumed since 2014, with the current Israeli government increasingly voicing its intent to apply Israeli sovereignty to West Bank settlements and the Jordan Valley – a move that runs counter to the internationally-recognised parameters for a negotiated two-state solution to the Israeli-Palestinian conflict.

The UK has remained firmly committed to its traditional policy positions on the issue, despite the Trump Administration's reversal on historic US policy positions, including moving the US embassy to Jerusalem, cutting all aid to the Palestinians, and announcing that Israeli settlements were not per se illegal under international law. The UK continues to support an end to the conflict via a two-state solution, with a safe and secure Israel alongside a sovereign and viable Palestinian state established on the pre-1967 armistice lines (with agreed land swaps) as the border of this new state, with East Jerusalem as its capital and a negotiated settlement to the Palestinian refugee question.

“The UK still supports all efforts to reach a solution in the Middle East, and a two-state solution”, Prime Minister Johnson stated in September 2019 when meeting with Prime Minister Netanyahu.

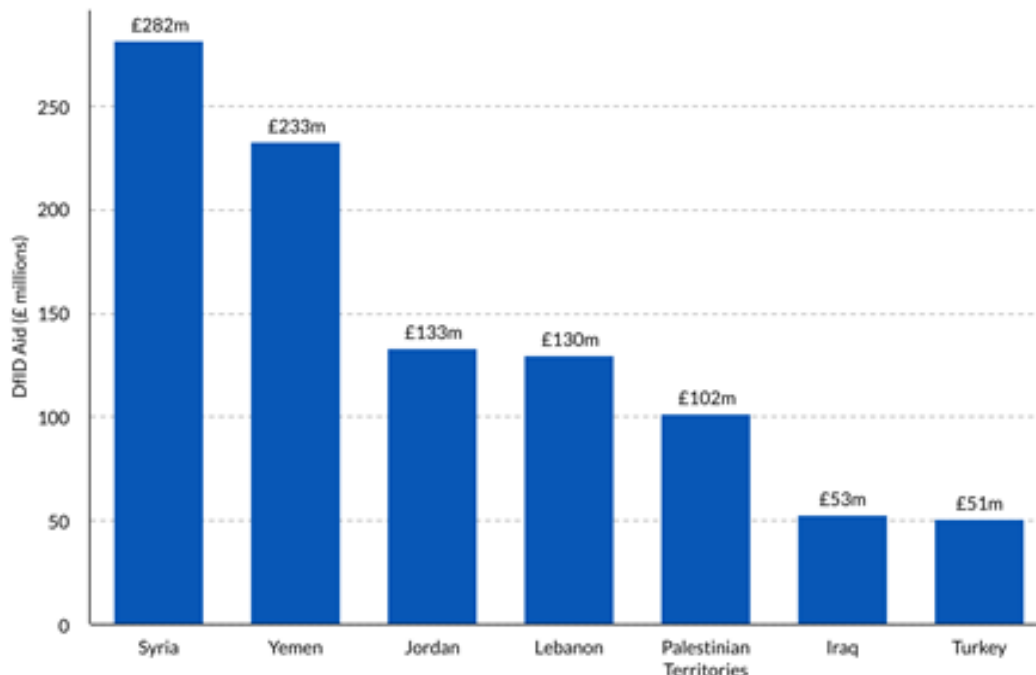
**Settlement construction:** The British government regularly criticises Israeli announcements regarding settlement construction in the West Bank and East Jerusalem. To take one recent example, in the wake of the May 2019 Israeli government announcement to issue tenders for several hundred housing units in East Jerusalem, UK Minister of State for the Middle East Andrew Murrison expressed his “grave concern”, stating: “We are clear that settlements built on occupied Palestinian territory are contrary to international law and an obstacle to a two-state solution. Regrettably this takes us further away from a negotiated peace agreement”.

A Foreign and Commonwealth Office spokesperson stated in November 2019: “The position of the UK on settlements is clear. They are illegal under international law, present an obstacle to peace, and threaten the viability of a two-state solution. We urge Israel to halt its counterproductive settlement expansion”.

The UK government has also opposed recent Israeli government declarations of intent to apply Israeli sovereignty to Israeli settlements in the West Bank and the Jordan Valley. UK Ambassador to Israel Neil Wigan said in October 2019: “We’re



## UK Department for International Development (DfID) Aid Spending in Middle East



Source: UK Department for International Development, Development Tracker 2019



not going to make any threats about that, but it's a big issue, I make clear to many officials in Israel that this is something that concerns the officials in the UK. We clearly oppose it. The UK sees [the establishment of a Palestinian state] as the only viable solution, we can't see a solution without a Palestinian state”.

Yet overall the UK is more balanced on this issue than other European states. A good illustration of the UK approach is the events surrounding the December 2016 passage of UN Security Council Resolution 2334, which condemned Israel for the “construction and expansion of settlements, transfer of Israeli settlers, confiscation of land, demolition of homes and displacement of Palestinian civilians”, deeming them a “violation of international humanitarian law, Israel’s obligation as the occupying Power according to the Fourth Geneva Convention, and previous [UNSC] resolutions”. The resolution passed by a vote of 14 to 0, with the UK voting in favour (and the Obama Administration abstaining).

Yet a subsequent speech days later by US Secretary of State John Kerry which focused solely on Israeli settlement construction was criticised by the UK government. A spokesman for Prime Minister Theresa May stated: “We do not...believe





that the way to negotiate peace is by focusing on only one issue, in this case the construction of settlements, when clearly the conflict between the Israelis and Palestinians is so deeply complex. And we do not believe that it is appropriate to attack the composition of the democratically-elected government of an ally [e.g. Israel]”.

**British support to the Palestinian Authority:** The UK government provides targeted financial assistance and technical advice to the Palestinian Authority, Palestinian civil and business society and provides humanitarian and development support to Gaza. The British objective, as officially stated by the Department for International Development (DfID), is: “[T]o preserve the viability of the two-state solution as the best way to bring stability to the region ... mitigate the impact of the occupation on the lives of Palestinians...[and to] develop the institutions of a future Palestinian state to ensure it can effectively deliver services for Palestinian people and act as a partner for peace with Israel”.

To achieve these ends, the UK government from 2011 to 2017 provided more than £500m in assistance to the Palestinians, focusing primarily on PA governance and security; rights and refugees (including assistance to the UN Relief and Works Agency for Palestine Refugees, or UNRWA); and promoting economic development in the Palestinian Territories.

According to the latest figures publicly available from DfID, for the financial year 2019/2020 the UK is planning to provide approximately £70m to £99m to the Palestinians. The exact annual figures are unclear due to multi-year project budgeting as well as emergency appeals to UNRWA (which itself supports operations not only in the Palestinian Territories but also in Lebanon, Syria, and Jordan). Yet the central pillars for how UK aid is spent can be summed up as follows:

- **UNRWA:** As of December 2018, the UK was the fourth largest donor to UNRWA, with a total pledge of \$92m for the year. Out of this amount, however, some \$26m went to a Syria appeal and \$59m to UNRWA’s overall programme budget.
- **Direct Budgetary Support to the PA:** As of May 2018, the UK was providing at least £21m per year in financial aid to the PA via the Service Stability and Reform Programme (SSRP), primarily supporting the salaries of at least 38,000 PA education and health care civil servants. The money is channeled through the EU-run Palestinian-European Socio-Economic Management Assistance Mechanism (PEGASE), with independent auditors checking that the



UK funds are only disbursed to vetted individuals. Smaller amounts of aid are known to be provided to various other PA ministries, including finance and judiciary, mainly for technical support roles and capacity building programs. The overall objective is to increase the quality of services provided by the PA to the Palestinian public in the West Bank.

- **Additional DfID Priorities:** Additional DfID programs, primarily run through international partners – UN, other international NGOs, the US government, or the private sector – support a diverse number of initiatives. UK money has been funnelled to international programs that support humanitarian assistance for the Gaza Strip, including the provision of clean water and electricity (since the UK upholds a “no contact” policy with Hamas, which rules the territory). Additional aid is spent on supporting the Palestinian private sector, spurring growth and creating jobs, with emphasis on access and movement of people and goods. And finally, UK money is also used to train and advise the Palestinian Authority Security Forces, through the small British Support Team based in Ramallah. The six-officer team, led by a British brigadier general, work under the purview of the US Security Coordinator Mission in Jerusalem. Indicatively, just as the Trump Administration slashed all US aid to the Palestinians in 2019 (including to the PASF), the UK signed a memorandum of understanding in July 2019 with the PA Interior Ministry and security forces, to provide additional technical expertise and training to be provided through a third-party civilian NGO. The UK does emphasise human rights training and the inculcation of greater accountability towards the Palestinian public by the PASF.

While some Israeli politicians may rail against the PA (and international support for it, including to UNRWA), the Israeli security establishment views such financial aid as an extremely valuable stabilising force. For the past several years, a pillar of Israeli military strategy in both the West Bank and Gaza Strip has been to improve economic and humanitarian conditions precisely as a bulwark against terrorism and violence.

International financial aid – properly supervised and vetted – allows the PA to continue paying civil servant salaries and UNRWA to keep schools and clinics open. Moreover, American and European support (including from the British team) to the PASF helps to maintain arguably the most positive current facet of the entire ‘Middle East Peace Process’: Israeli-Palestinian security coordination in the West Bank. Despite British diplomatic criticisms regarding settlement expansion and the future viability of a two-state solution – which the Israeli government rejects – there are more shared interests between London and Jerusalem on this issue than may be commonly appreciated.



## *Defence Ties*

### *Historical Context*

Britain and Israel celebrated the centenary of the Balfour Declaration in November 2017, yet preceding that historic declaration by three months was the establishment by the British Army of the Jewish Legion under the command of Lt. Col. Patterson which helped forge an alliance between Britain and the Zionist leadership. The Jewish Legion consisted of Jewish volunteers that were incorporated into the Royal Fusiliers and deployed to fight the Ottoman Empire in the First World War; they participated in one of the final and decisive victories over the Ottomans in the Battle of Megiddo. During this period too, Nili, a Jewish spy network, assisted British intelligence in the war effort. As former Mossad Chief Efraim Halevy wrote in [Fathom](#): “The Nili operation was relatively short-lived. Yet between the years 1915-1917, until they were exposed, they were able to make a difference between victory and defeat for the British Army led by General Edmund Allenby”.

During the British Mandate, British officers were instrumental in training Haganah personnel – the Jewish paramilitary organisation that would later become the Israel Defence Force. Captain Orde Wingate in particular developed and trained Jewish fighters to help the Jewish communities of pre-state Israel defend themselves. In 1938, amid the ‘Arab Revolt’ in Mandatory Palestine, a joint British-Jewish combat force under Wingate’s command was formed. These small tactical commando units, known as the ‘Special Night Squads’, specialised in counter-insurgency. Among their members included Yigal Allon and Moshe Dayan, who went on to become generals in the IDF. Although they only operated for one year, the Special Night Squads came to be considered the British Army’s first special forces unit and the forerunners of the Special Air Service (SAS) regiments. Today SAS founder David Stirling’s book, ‘Who Dares Wins’, is required reading for all new recruits into elite IDF units.

During the Second World War, many Jews from Palestine wanted to volunteer for service in the British Army. Eventually, in 1944, the Jewish Brigade was created consisting primarily of Palestine Jews and led by Anglo-Jewish officers. The Jewish Brigade saw action mostly in Italy, including battles against German forces; at the end of the war it helped search for Holocaust survivors, provided them with aid, and assisted in their escape from Europe to Palestine.

After the creation of Israel in 1948, many Jewish Brigade veterans served with



distinction in the IDF during Israel's War of Independence, providing the nascent army crucial manpower and setting the overall doctrine. Many such veterans remained in military service, becoming in later years high-ranking IDF officers. British influence thus heavily permeated the foundations of the IDF's standards, values and tactics. Indeed, the IDF adopted the same ranking system as the British army as well as 'inheriting' many of the military bases in the new state.

Less than a decade later, in 1956, Britain and Israel (along with France) coordinated in a highly controversial military operation to gain control of the Suez Canal after Egypt moved to nationalise the crucial waterway.

### ***Relations Today***

UK-Israel defence ties have expanded significantly – in particular over the last four years – and are becoming increasingly formalised. The underpinning of this bilateral security relationship has always been shared values, with the recognition for the UK that Israel is a pro-Western ally in a tumultuous region whose military has valuable operational and technological capabilities. For Israel, too, there are few armed forces like the British, as one Israeli official told BICOM, from which “we can learn something real”. The two countries cooperate on issues of security, intelligence, training and weapons development, a relationship that has increased in importance in recent years as both share multiple areas of mutual concern, including terrorism, refugees, cybersecurity and Iran.

On a strategic level both militaries are deeply engaged in an ongoing dialogue over best practice adoption of the US-led “**5 Domain Integration**” doctrine – land, air, sea, information and space. Both militaries are keen to become more efficient and optimised, adapting to the future in budgetary, technological and potential warfare terms. This had led to the creation of various shared forums to discuss doctrine and training, as well as new units and capabilities, force laydown and overall organisational structures.

In terms of **training**, senior Israeli officers have since the 1950s attended the elite Royal College of Defence Studies and for the first time recently a senior British officer took part in courses at the equivalent Israel National Defence College.

In addition, there is a regular exchange of **senior delegations** visiting each country. Among the high profile visitors, the Chief of the British General Staff, Gen. Sir Nick Carter, visited Israel in April 2019 and met with IDF Chief of the General Staff Lt. Gen. Aviv Kochavi. As the IDF stated at the time: “The cooperation



between Israel and the UK is strong and it's getting even stronger". In September 2019, the Director General for Security Policy in the UK Ministry of Defence hosted an Israeli defence delegation for the annual UK-Israel Strategic Policy Dialogue in London. The delegation was led on the Israeli side by Zohar Palti, Director of the Policy & Political-Military Bureau in the Ministry of Defence and included senior IDF & military R&D officials. In November 2019, the head of the IDF Strategic Planning Directorate visited London, and Israeli sources expect IDF Chief of Staff Kochavi to visit the UK soon.

The desire to further formalise relations is mutual and spreads across nearly all of the domains mentioned above.

**On the land,** British and Israeli forces face common challenges in the form of asymmetric conflicts, and British forces have learnt from Israel's experience – often described as the IDF's "constant friction" – tackling the challenge of irregular/non-state forces operating in urban environments. When then Prime Minister David Cameron visited the Knesset in 2014 he praised UK-Israel defence cooperation, saying that: "Israel's technology is protecting British and NATO troops in Afghanistan".

**In the air,** the past year witnessed a blossoming partnership between the Royal Air Force (RAF) and the Israeli Air Force (IAF). In September 2019, the IAF for the first time participated in the RAF's prestigious **Cobra Warrior** exercise. The exercise lasted for three weeks and included more than 50 fighter jets from a range of British allies, including Italy and Germany, and seven Israeli F-15s as well as numerous other aircraft and ground crew. It marked the first ever Israeli fighter deployment to the UK and first joint exercise of that magnitude between the IAF and RAF. As the IDF noted, in addition to providing a mutual learning opportunity for the participating forces, Cobra Warrior also "was designed to maintain the competence and readiness of the forces and was an important milestone in strengthening the strategic cooperation and international common interests between Israel and the United Kingdom". Indeed, one senior IAF officer stated: "We learned many lessons here that we will take home and implement in our combat doctrine". Most tellingly, the same officer highlighted the historical aspect of Israeli jets on British soil for the first time, observing that: "The Israeli Air Force was actually formed out of the British Air Force, so there is a special opportunity to close a circle".

In an exercise in June 2019, the two air forces (and the Royal Navy's Fleet Air Arm) carried out joint manoeuvres along with the US Air Force over the eastern Mediterranean. The drill, called "**Tri-Lightning**", was the first ever to include the new F-35 "stealth" fighters from all three air forces. IAF F-35I Adirs, RAF/Royal







*F-35 fighter jets from Israel, the US and the UK taking part in an aerial exercise over the Mediterranean Sea, on June 25, 2019 (Israel Defense Forces).*

Navy F-35B Lightnings from Cyprus, and USAF F-35A Lightning IIs based out of the United Arab Emirates all took part, with the UK's Air Component Commander for the Middle East travelling to Israel to oversee the British contribution. As the US military stated at the time: "This exercise is a demonstration of the interoperability between the US, UK, and Israel using the F-35A, F-35B, and F-35I, respectively". Indicatively, Israel was in 2018 the first military in the world to use the F-35s in combat operations, with the RAF announcing around the same time as the above exercise that its F-35s for the first time had flown sorties over Iraq and Syria.

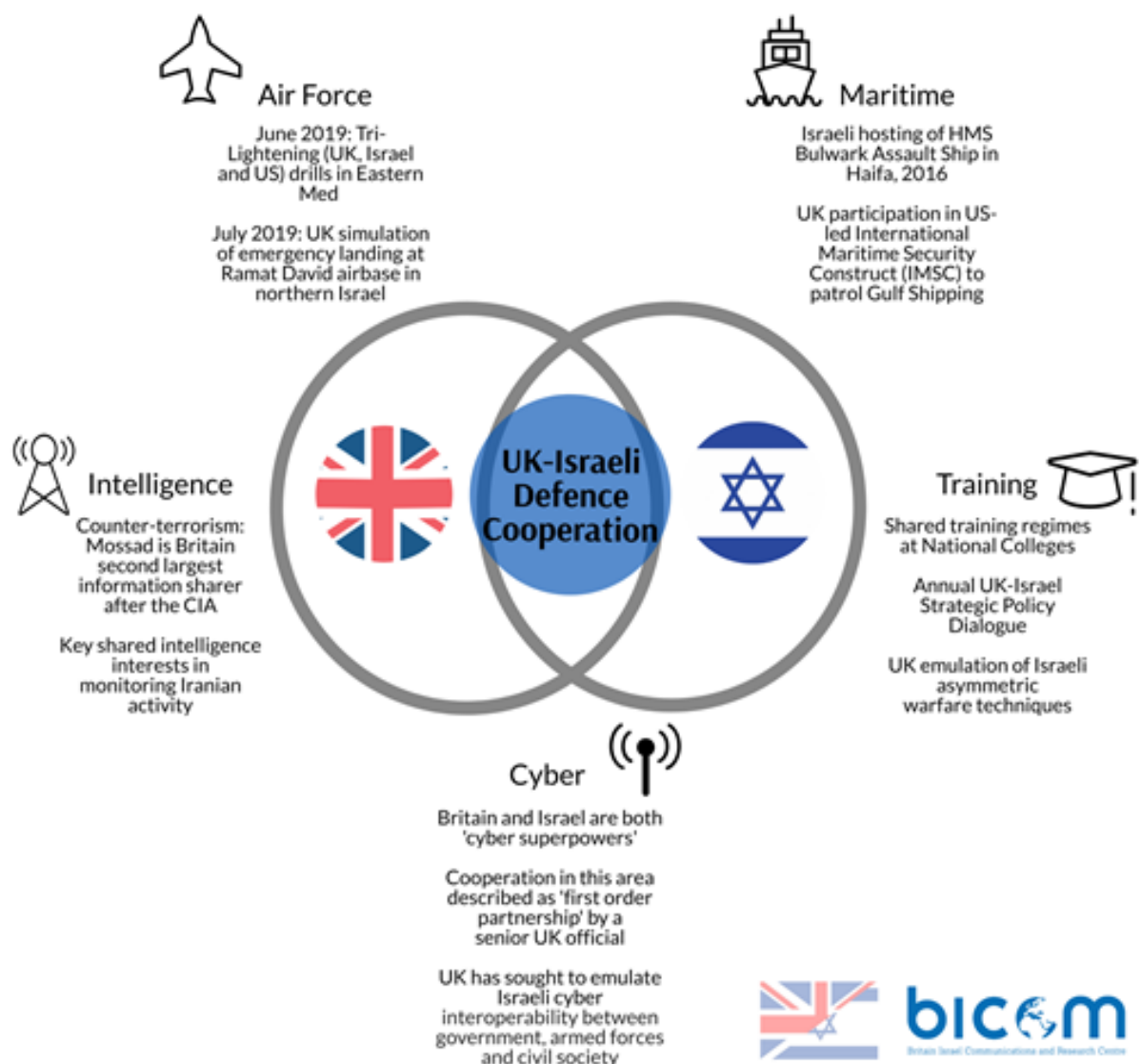
In Summer 2019, an RAF Typhoon fighter landed at Ramat David air base in northern Israel in a simulated emergency landing, as part of RAF operations in the region. This is thought to be the first time a UK military plane has landed in Israel in an operational capacity since the end of the Mandate. Finally, RAF assets are known to traverse Israeli airspace on their way to Jordan, a close British defence partner in its own right.

In terms of **cyber-security**, both Britain and Israel are generally recognised as two of the world's five cyber superpowers. As a [BICOM report](#) details, govern-



ment-to-government cooperation between the UK and Israel in cyber security is strong and has been described by a senior UK official as a “first-order partnership”. Israel is widely praised for its unique innovation ecosystem, with close interaction between military, government, academia and industry – a model which the UK has sought to emulate. There are, moreover, close working relationships between the two countries’ national cyber security agencies and acknowledged cross-fertilisation in the development of their respective national security strategies.

According to [The Telegraph](#), “Israel’s Mossad spy agency is believed to be the second largest intelligence sharing partner with Britain after the CIA”. MI6 reportedly tipped off Israel to the possible existence of a Syrian nuclear reactor prior to Israel’s 2008 bombing of the site in eastern Syria. Israeli intelligence chiefs subsequently flew to London to brief their British counterparts about the strike. Prime Minister Netanyahu has on a few occasions alluded to Israeli intelligence help in protecting European and Western allies; as he told the BBC in a 2017 interview: “That cooper-



# UK Military Presence in the Persian Gulf/Strait of Hormuz



## UK military outposts and presence



**Bahrain:** Royal Navy permanent support base, HMS Jufair, at port of Nima Salman. HMS Montrose deployed.



**Qatar:** RAF squadron at Al Udeid airbase / UK-Qatari squadron / Serco operated staff college training Qatari officers.



**United Arab Emirates:** RAF Typhoon fighter squadron at Al Minhad airbase, Dubai.



**Oman:** Joint Logistics Support Base at Duqm Port Facility provides permanent military logistics centre and training facility. Connected to other Gulf states by the Gulf Rail Project / Training exercises with Omani forces



**Kuwait:** UK army units training local forces and officers.



**Yemen:** UK supports Saudi-led coalition in Yemen, selling Typhoon and Tornado fighter jets and precision-guided bombs.

## Notable events: 2019



**March 8th 2019:** Type-45 destroyer HMS Duncan began 6-month NATO deployment alongside French Navy.

Supported operational preparation for HMS Queen Elizabeth's first operational deployment in 2021.



**July 19th 2019:** Iran seizes British-flagged Stena Impero tanker in the Strait of Hormuz.



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ation has saved many lives – many Israeli lives and many, many British lives”.

**At sea**, UK-Israeli naval ties are less developed relative to other military branches, given Israel’s more limited maritime capabilities and scope (focused as they are on the defence of Israel’s home shores). Yet discussions have taken place with regard to potentially increasing this area of cooperation. Israeli ports have previously hosted the Royal Navy, including the 2016 docking in Haifa of the HMS Bulwark Assault Ship, the second largest vessel in the British fleet.

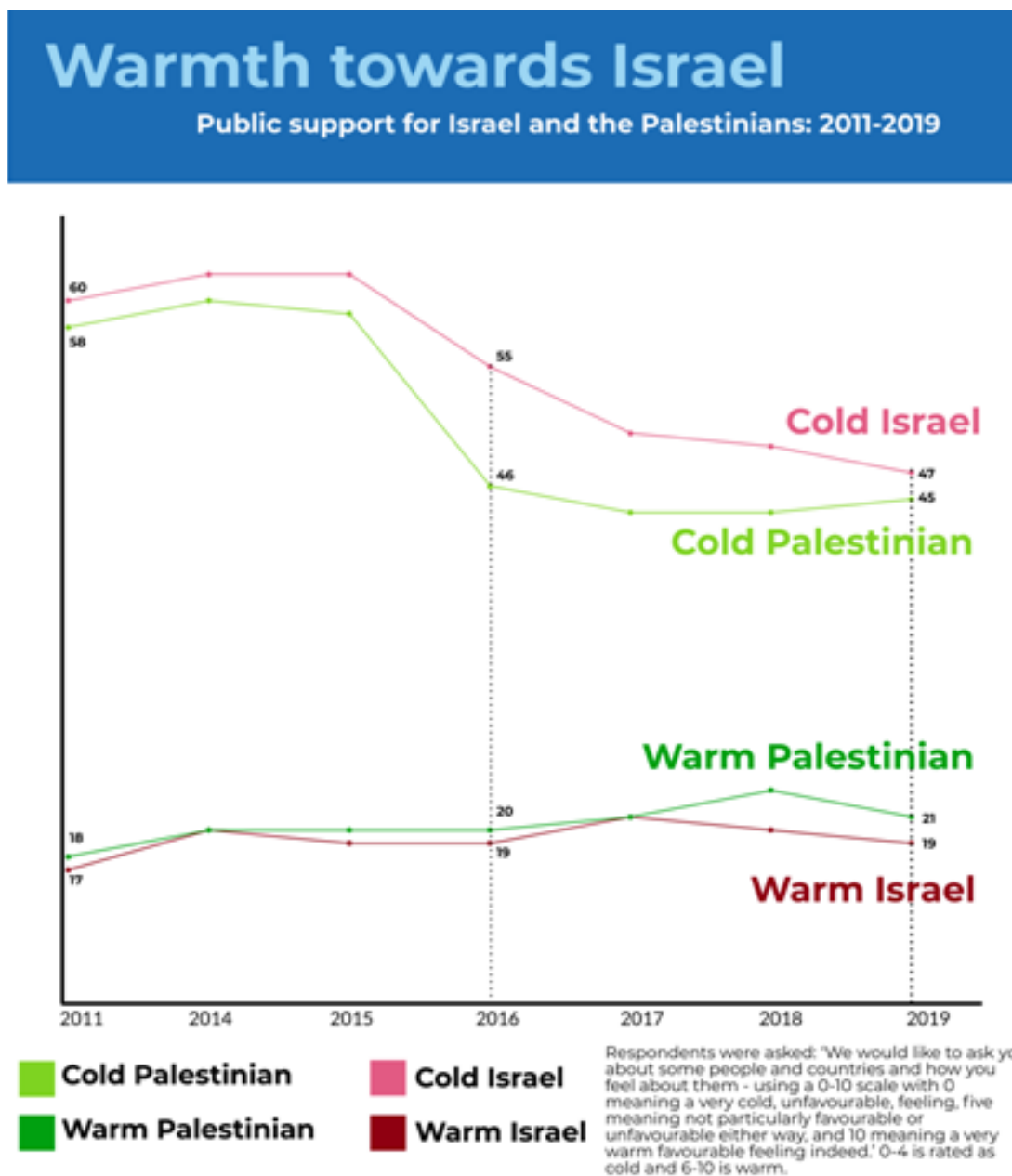
In regional terms, the UK is the only European country to join the US-led **International Maritime Security Construct (IMSC)** to patrol in the Gulf. The IMSC was established to deter malign activity in the area by Iran, promote maritime security and stability, and ensure freedom of navigation and free flow of commerce in international waters throughout the Arabian Gulf, Strait of Hormuz, the Bab el-Mandeb Strait and the Gulf of Oman.

Operationally, large naval vessels such as frigates and destroyers provide over-watch of critical choke points, while smaller naval vessels such as patrol craft and corvettes patrol the key transit lanes between them. In addition, airborne surveillance assets monitor the flow of traffic through the highest risk areas. Given increased tensions with Iran in early January 2020, British Defense Secretary Ben Wallace announced that the Royal Navy would resume escorting merchant vessels through the Strait of Hormuz, including having the HMS Montrose and HMS Defender accompany UK-flagged ships through the Strait of Hormuz. Although not part of the above coalitions, Israel greatly appreciates the British navy’s overall presence in the region.



## Chapter 3 | UK public attitudes to Israel

Public attitudes towards Israel have been remarkably stable since 2011. In an annual poll designed by BICOM and Populus, respondents are asked how warm or cold they feel towards a range of countries and organisations. Warmth towards Israel has remained stable in a range between 18 and 21 per cent since 2011 and warmth towards the Palestinians has remained largely stable in a range between 18 and 23 per cent. In 2019, warmth towards Israel stood at 19 per cent and warmth towards the Palestinians was 21 per cent. In 2014, 62 per cent of respondents held cold attitudes towards Israel and 60 per cent towards the Palestinians



Polling conducted by Populus on behalf of BICOM November 2019 | Base: All (2,026)

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## Antisemitism

45% of the British public believe that hating Israel is antisemitic

Is hating Israel and questioning its right to exist antisemitic?

**45%** [2018 - 47%] **Agree**

**36%** [2018 - 33%] **Don't Know**

**18%** [2018 - 20%] **Disagree**

Polling conducted by Populus on behalf of BICOM November 2019 | Base: All (2,026)

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but this figure has been steadily decreasing in recent years. In 2019, 47 per cent of respondents felt cold towards Israel and 45 per cent felt cold towards the Palestinians. 44 per cent of respondents agreed that Israel is an important ally in the fight against terrorism and 36 per cent agreed that Israel is an important trading partner for Britain after Brexit.

The BICOM Populus poll also measures opposition and support for negative opinions about Israel and their perceived links to antisemitism. Asked if hating Israel and questioning its right to exist is antisemitic, 45 per cent of respondents

## Boycotts of Israel

46% oppose boycotts of Israel

I don't boycott goods or produce from Israel and find it difficult to understand why others would single out Israel to boycott given everything else that is going on in the world

**46%** [2018 - 48%] **Agree**

**40%** [2018 - 38%] **Don't Know**

**14%** [2018 - 14%] **Disagree**

Polling conducted by Populus on behalf of BICOM November 2019 | Base: All (2,026)

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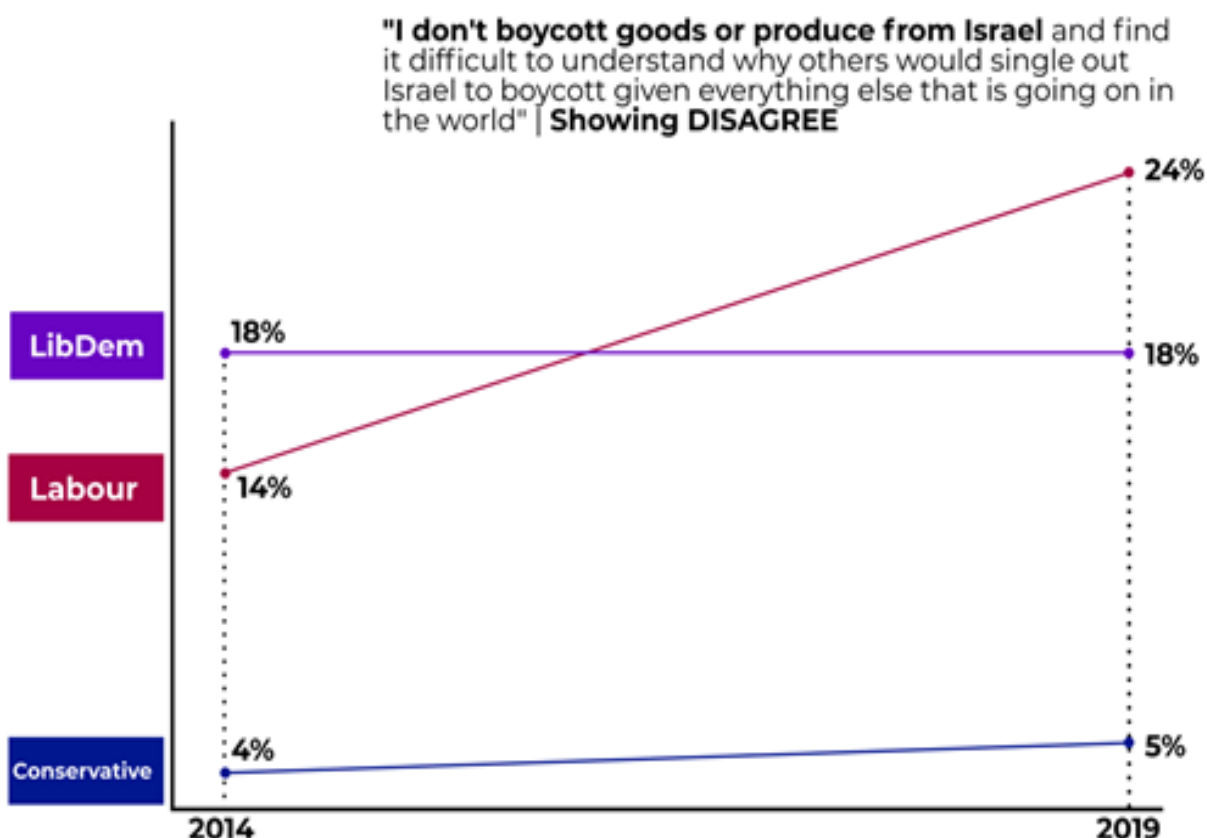


agreed, 18 per cent disagreed and 36 per cent answered 'don't know'.

The poll measures support and opposition to boycotts of Israel by asking respondents to agree Israel and their perceived links to antisemitism. Asked if hating Israel and questioning its Public attitudes towards Israel have been remarkably stable since 2011. In an annual poll designed by BICOM and Populus, respondents are asked how warm or cold they feel towards a range of countries and organisations. Warmth towards Israel has remained stable in a range between 18 and 21 per cent since 2011 and warmth towards the Palestinians has remained largely stable in a range between 18 and 23 per cent. In 2019, warmth towards Israel stood at 19 per cent and warmth towards the Palestinians was 21 per cent. In 2014, 62 per cent of respondents held cold attitudes towards Israel and 60 per cent towards the Palestinians but this figure has been steadily decreasing in recent years. In 2019, 47

## Boycotts of Israel - views by voting intention

Support for the boycott of Israel among Labour voters jumped 10 points between 2014 and 2019



Polling conducted by Populus on behalf of BICOM November 2019 |  
Base: All (2,026)

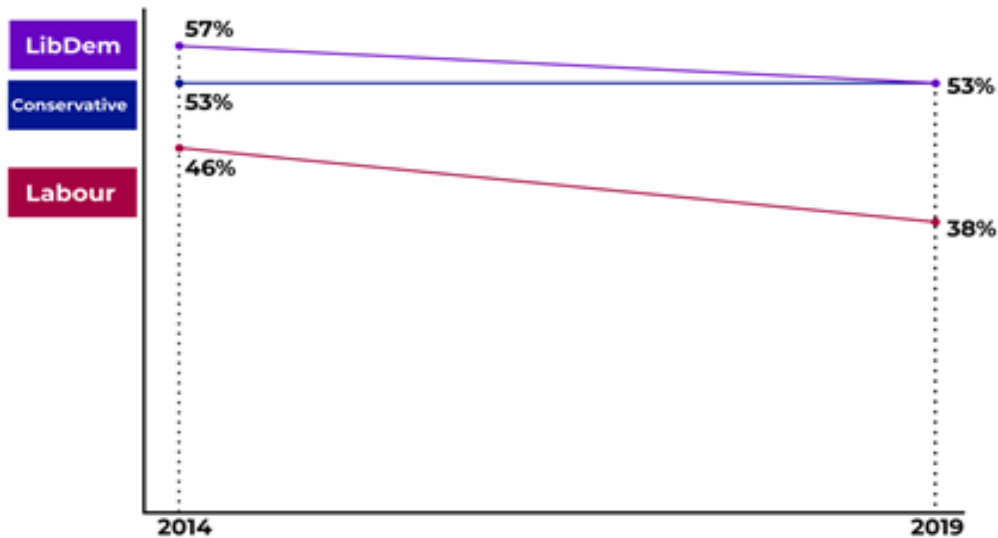
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## Antisemitism - views by voting intention

There has been a drop in the number of Labour votes who think hating Israel and questioning its right to exist is antisemitic

"Is hating Israel and questioning its right to exist antisemitic?" **Showing AGREE**



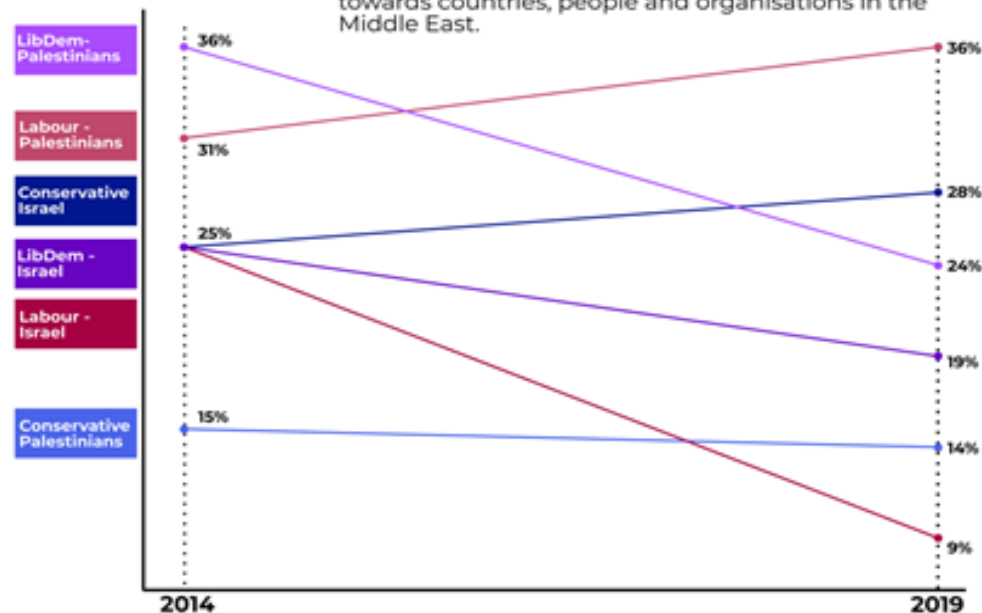
Polling conducted by Populus on behalf of BICOM November 2019 |  
Base: All (2,026)

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## Warmth towards Israel and the Palestinians by voting intention

Warmth towards Israel among Labour voters has dropped significantly between 2014 and 2019

The survey asks respondents to rate their warmth towards countries, people and organisations in the Middle East.



Polling conducted by Populus on behalf of BICOM November 2019 |  
Base: All (2,026)

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per cent of respondents felt cold towards Israel and 45 per cent felt cold towards the Palestinians. The poll measures support and opposition to boycotts of Israel by asking respondents to agree or disagree with the statement: “I don’t boycott goods or produce from Israel and find it difficult to understand why others would single out Israel to boycott given everything else that’s going on in the world”. 46 per cent of respondents agreed with the statement, 14 per cent disagreed and 40 per cent did not know.

Respondents in the poll are also asked their voting intention in a future general election and the analysis of the respondents’ answers split by party support illustrate some significant changes over time in attitudes towards Israel and the Palestinians. In 2014, 25 per cent respondents intending to vote Labour felt warm towards Israel. By 2019, just 9 per cent of respondents intending to vote Labour felt warm towards Israel. By contrast, in 2014, 31 per cent of respondents intending to vote Labour felt warm towards the Palestinians but in 2019 36 per cent of respondents intending to vote Labour felt warm towards the Palestinians.

## **The Movement to Boycott Israel**

**The BDS (Boycotts, Divestment and Sanctions) Movement is an international network of organisations and individuals promoting a range of measures against Israel, Israeli organisations, companies, cultural bodies and Israeli citizens.** Its activity ranges from disrupting performances by Israeli performers in the UK, urging banks and pension funds to withdraw investments from Israel, campaigning for governments to end arms sales and purchases, to withdraw from trade agreements with Israel, and calling for the expulsion of Israel from international fora such as FIFA.

**The movement’s founders reject a negotiated two-state solution and Israel’s right to exist as the nation state of the Jewish people.** Omar Barghouti, co-founder of the BDS Movement, who himself studied at Tel Aviv University and completed a Master’s degree in Philosophy in 2009, said that: “Definitely, most definitely we oppose a Jewish state in any part of Palestine. No Palestinian, rational Palestinian, not a sell-out Palestinian, will ever accept a Jewish state in Palestine”.

**The movement’s formal goals include Israeli withdrawal from the West Bank and the “right of return” for Palestinian refugees and their descendants** – who the movement counts as numbering over 7 million people – to the State of Israel. This latter demand would jeopardise the existence of Israel as the nation state of the Jewish people and runs counter to the ‘two states for two peoples’



principle of the two-state solution to the Israeli-Palestinian conflict.

**An integral component of the movement's strategy is to oppose normalisation of relations between Israelis and Palestinians and instead cause Israel's isolation and eventual collapse, in the manner of apartheid South Africa.** The BDS Movement has criticised the Palestinian Authority for its relationship with Israel. Some in the BDS Movement see the PA as a "subcontractor of Israel". Omar Barghouti recently called for pressure to be exerted on the PA and various other sectors of Palestinian society to end all forms of normalisation with Israel, including security coordination, economic cooperation and what he called "cultural normalisation", "tourism normalisation" and "media normalisation".

**The Palestinian Authority's position regarding boycotts is ambiguous. Its official position is still to support a negotiated two-state solution, and it relies on Israeli economic and security cooperation.** In 2013, during a trip to South Africa, PA Chairman Mahmoud Abbas said he rejected boycotts of Israel: "No, we do not support the boycott of Israel. But we ask everyone to boycott the products of the settlements. Because the settlements are in our territories. It is illegal. But we do not ask anyone to boycott Israel itself. We have relations with Israel, we have mutual recognition of Israel".

**While right and centre-left parties in Israel condemn boycotts, there is disagreement over the best way to fight it** and opposition politicians have criticised some government policies in this area as counterproductive.

### **The boycott movement in the UK**

**In the UK, boycott activities are led by several political campaign groups including the Palestine Solidarity Campaign (PSC), the Scottish Palestine Solidarity Campaign, the Palestine Return Centre (PRC), War on Want, and Friends of Al Aqsa, and supported by some trade unions.** These groups campaign for organisations to implement boycotts of Israel and to divest their pension funds from Israeli investments, as well as to engage in direct action to disrupt Israeli cultural or commercial activities in the UK.

The UK Government announced in the Queen's Speech on 19 December 2019 that it will introduce new laws to make it illegal for UK public bodies to conduct their own foreign policy, including boycotts and divestment of Israel. The Government said the new measures: "Will stop public institutions from imposing their own approach or views about international relations, through preventing boycotts, divestment or sanctions campaigns against foreign countries and those





who trade with them”. The scope includes “institutions across the public sector, not just councils” – which suggests it may also cover universities and colleges, but it will not apply in Scotland, Wales or Northern Ireland as these matters are handled by their devolved administrations.

Speaking in the House of Commons, Prime Minister Boris Johnson said: “One innovation that this Queen’s Speech introduces, is that we will stop public bodies from taking it upon themselves to boycott goods from other countries, to develop their own pseudo foreign policy against countries, which with nauseating frequency turns out to be Israel”.

The Government believes the legislation is important to prevent the undermining of community cohesion by councils trying to adopt boycotts against Israel, which it believes has legitimised antisemitism and harassment of Jewish communities, e.g. leading to kosher food being removed from supermarket shelves, Jewish films being removed from film festivals and Jewish university societies being threatened with bans.

The new legislation builds on two Government measures from 2016. In February 2016, the Government published guidance to public bodies that made clear that procurement boycotts by public authorities are inappropriate, outside where formal legal sanctions, embargoes and restrictions have been put in place by the Government. The Government added that discrimination on the basis of nationality against suppliers from EU member states or signatory states of the WTO Government Procurement Agreement – of which Israel is a signatory – is illegal.

Even prior to this guidance, there was no example of a council ever having implemented a procurement boycott as such moves were already illegal under Local Government Act 1988, section 17(1), and European Union legislation on public contracts.

In September 2016, a second piece of guidance was issued concerning investment by Local Government Pension Schemes (LGPS). This gave the Secretary of State for Communities and Local Government the power to prohibit councils from using their “pension policies to pursue boycotts, divestment and sanctions against foreign nations and UK defence industries”, except in cases where the government itself has put in place “formal legal sanctions, embargoes and restrictions”.

The Palestine Solidarity Campaign (PSC) sought a judicial review of the regulations and in June 2017 the High Court found in favour of the PSC’s case, ruling that the government had acted improperly by seeking to use pension law to pur-



sue its own foreign and defence policy. Following an appeal by the Government, the Court of Appeal overturned the original ruling in May 2018, stating the Government's action "fell within the powers conferred by the legislation". A PSC appeal to the Supreme Court was heard on 20 November 2019 and a judgement is expected later in 2020.

### **The Labour Party and boycotts of Israel**

Outgoing Labour leader Jeremy Corbyn and Labour shadow ministers have in the past expressed sympathy for boycotts of Israel. When attending a conference in Belfast in 2015, Corbyn said he thought the boycott campaign was "part and parcel of a legal process that has to be adopted", adding that: "I believe that sanctions against Israel, because of its breach of the trade agreement, are the appropriate way of promoting [the] peace process". Corbyn was also a longstanding patron of the PSC and has spoken at events and attended trips organised by the Palestine Return Centre – both groups support and promote boycotts of Israel.

**The Labour Party called for a freeze on arms sales to Israel.** In September 2019, Labour conference delegates adopted a raft of anti-Israel policies including a motion stipulating that an incoming Labour government would adopt "an ethical policy on all UK trade with Israel, in particular by applying international law on settlements in the occupied Palestinian territories and stopping any arms trade with Israel that is used in violation of the human rights of Palestinians". The motion has been interpreted as providing a platform for a future Labour government to adopt policies amounting to a boycott of Israeli settlement goods and services and a boycott of Israeli organisations that have dealings with settlements.

**In September 2019, co-founder of the BDS movement Omar Barghouti spoke at a fringe event at Labour Party Conference, organised by the Palestine Solidarity Campaign.** Barghouti claimed that "Israel and its lobby groups have been weaponising false claims of antisemitism" against the BDS movement. In an article for the Independent, Barghouti said that "the clearest case of this rising suppression of freedom of expression is the collusion of western establishments in Israel's desperate war to delegitimise the BDS movement for Palestinian rights".

### **BDS and the Universities**

**The National Union of Students has passed a policy in support of BDS.** However, this policy was not ratified by the main Annual Conference of NUS but rather agreed in June 2018 by the NUS National Executive Council (NEC), a smaller body elected by the Annual Conference. The NEC motion said NUS would:



“Continue to support the Palestinian-led call for Boycott, Divestment, and Sanctions of Israel, along with civil society, human rights organisations, and trade unions, until it complies with basic tenets of international law”. Approximately 15 of 130 individual student unions in the UK have passed motions supporting a boycott of Israel.

**In 2015 the board of Universities UK, representing British universities, issued a statement opposing boycotts saying:** “The board of Universities UK wishes to confirm its previously stated position that it is firmly opposed to any academic boycott of Israeli universities”.

**In June 2019, members of the British Society for Middle Eastern Studies passed a non-binding resolution claiming that Israeli universities play a key role in the country’s ‘illegal military occupation’ and advocating an academic boycott of said universities.** In response, the society restated that it would remain “non-political” and oppose all measures restricting academic activity and cooperation within the Middle East.

### **BDS, local government and trade unions**

**Across the 407 local councils in the UK, nine have adopted a policy to boycott Israel.** Leicester, Tower Hamlets, Swansea and Gwynedd in North Wales have passed motions to boycott settlements and West Dunbartonshire, Clackmannanshire, Fermanagh and Omagh District Council, Derry City and Strabane District Council and Mid Ulster District Council have adopted broader policies to boycott Israel.

**The Trade Union Congress supports a boycott of Israeli companies that are “complicit in the occupation of the occupied Palestinian territories”** but has emphasised their opposition to it being extended to all of Israel.

**Two of the largest trade unions, Unison and Unite, have passed similar motions to “vigorously promote a policy of divestment from Israeli companies”,** adding that a “boycott of Israeli goods and services will be ‘similar to the boycott of South African goods during the era of apartheid’”.

**In September 2019, the leaders of British trade unions passed a motion calling for an Israeli boycott at the Trades Union Congress (TUC).** Motion 75 entitled ‘Palestine: supporting rights to self-determination,’ was submitted by Artists’ Union England and accused the U.S. and Israel of “destroying prospects for peace”. It called for TUC policy to “prioritise Palestinians’ rights to justice and equality, including by applying these principles based on international law to all UK trade with Israel”.



## BDS and religion

### **British churches have adopted different approaches to the boycott of Israel.**

During a visit to Israel in 2013, the Archbishop of Canterbury Justin Welby said: “The clear policy of the Church of England and my own personal opinion is that the State of Israel is a legitimate state like every other state in the world, and has a right to exist in security and peace within internationally agreed boundaries”.

The Quakers are heavily involved in the UK part of the ‘Ecumenical Accompaniment Programme in Palestine and Israel’ (EAPPI) which recruits and despatches observers to several Palestinian towns and villages to monitor the interaction between the Palestinian inhabitants and the IDF, and have stated that: “While Quakers in Britain is not a member of the full Boycott Divestment Sanctions (BDS) movement and does not advocate for BDS, we do support the right of organisations and citizens to engage in such democratic and legitimate means of non-violent protest”. A settlement boycott policy was passed in 2011, and in 2018 the Quakers announced that the church will not invest any of its centrally-held funds in companies “profiting from the occupation of Palestine”.

**The Methodists passed a settlement boycott in 2010 and subsequently passed a moratorium delaying any further debate on boycotts of Israel,** saying in the meantime the movement should support projects which promote peace and improve economic conditions in the region.

## Cultural BDS

Attempts to convince performers to boycott Israel has had limited success. Yet in September 2018, US artist Lana del Rey pulled out of the Meteor music festival in Israel, and **several British DJs and artists also pulled out of the festival,** some of them making pro-boycott statements on social media.

**The Tricycle Theatre was criticised in 2014 when it withdrew from the Jewish Film Festival because the festival received sponsorship from the Israeli government.** An editorial in the Guardian newspaper stated that it had “made a bad error of judgment”.

**In October 2015, nearly 150 leading British cultural figures signed a letter published in The Guardian rejecting calls by Artists for Palestine which called for a cultural boycott of Israel.** The letter was signed by J.K. Rowling, Melvyn Bragg, Niall Ferguson, Hilary Mantel, Simon Schama, Simon Sebag Montefiore, Anthony Seldon, Zoe Wannamaker and others.



## Chapter 4 | Education

The UK and Israel are, as former Foreign Secretary William Hague once said, “scientific superpowers”. It should therefore come as no surprise that, as Hague said: “Science is rightly one of the cornerstones of the relationship between Britain and Israel....[We] have built up our economies and identity through being leaders in science and technology”. This has expanded to encompass education and research writ large, with the UK-Israel relationship undeniably strengthened via these ties.

Many governmental, quasi-governmental and academic networks and funds exist to further expand the bilateral relationship in this area. Arguably most influential is the UK Government’s **Science and Innovation (SIN)** initiative, which is active in 50 countries, including Israel, and works to connect academia and business with local ecosystems based on UK priorities.

William Hague in 2010 worked to establish the **UK-Israel Science Council** which comprises a body of 23 leading scientists from the UK and Israel who meet once a year, providing direction to the overall mission of improving scientific collaboration between the two countries.

Similarly, via the SIN initiative and UK Government funding (Department of Business, Energy and Industrial Strategy), delegations of **Israeli university presidents and UK vice-chancellors** have travelled to the other’s country for meetings, workshops and roundtables. Most recently, such delegations reportedly took place in December 2019 (to the UK) and January 2020 (to Israel). The programme is meant to solidify higher-educational institutional ties, and followed a May 2018 **MOU on Bilateral Science and Technology** signed between Israel’s Minister of Science and Technology, Ofir Akunis, and Sam Gyimah, then UK Minister for Universities, Science, Research and Innovation. The MOU, per the announcement, is set to act as a “mechanism for greater collaboration in key priority areas” including artificial intelligence, agri-technology, renewable energy, nanomaterials, and more.

In terms of lower-level academic exchanges, the **Blavatnik Postdoctoral Fellowship Programme**, established in 2013, allows Israeli scientists to continue their research at Cambridge University on 2-3 year funded fellowships. To date, 19 Israeli fellows have been supported, with an additional five fellows focusing on stem cell research set to be chosen this year via a new £5m grant.

The **British Council** in particular plays an integral role facilitating bilateral academic and research exchanges. Through a £1m million grant by the **Wohl Foundation**,







*Former UK Science Minister Sam Gyimah announcing the launch of BIRAX Ageing on March 6, 2018.*

the British Council runs a scheme supporting clean growth research by British and Israeli researchers. The **UK-Israel Science Lectureship Grants** fund short two-week professional visits by established researchers from Britain and Israel, providing them an opportunity to visit their colleagues in the UK/Israel and develop research collaborations in fields such as nanoscience, neuroscience and cyber. All told, the British Council lists twenty different [scholarship programmes](#) that help Israeli students study in the UK.

In the UK, various parallel initiatives exist to facilitate academic exchanges with Israel. These include the **Academic Study Group**, which supports individual research visits and specialised workshops; the **Anglo-Israel Association**, which runs two scholarship schemes that help Israeli graduates study in the UK (and vice versa); the **Academy of Medical Sciences**, which administers the Daniel Turnberg UK/Middle East Travel Fellowship Scheme; and the **Jewish Medical Association** and other charities that help facilitate the visits of British academic visitors to Israel.

In terms of scientific research collaboration, the flagship of the UK-Israel relationship has long been the **Britain Israel Research and Academic Exchange (BIRAX)**. Established in 2011, BIRAX is an initiative of the British Embassy and British Council in Israel, with additional funding provided by the Pears Foundation. Since its establishment, BIRAX has provided more than £10m for joint biotech research projects between British and Israeli scientists – initially for 19 projects relating to Regenerative Medicine, and more recently for an additional



seven projects (over the course of the next three years) focusing on stem cells and ageing.

Another major framework of cooperation is **Horizon 2020**, the European Union's 70bn Euro consolidated fund for research and innovation projects undertaken by academia and industry that frequently bring together several partner organisations from various member states or associated countries. The UK currently ranks first in the EU for the numbers of participants receiving Horizon 2020 grants, while Israel became the first non- EU country to join the EU R&D framework as an associate member. (Israel pays a contribution into the fund in return for eligibility for Israeli institutions to compete for grants on an equal basis to those from EU states.)

However, there is an open question regarding the future of Britain's relationship to Horizon 2020 after it leaves the EU, as well as its future participation in the Erasmus academic and student exchange program, in which Israel is a partner country as well. Horizon 2020 has a British funding commitment through 2020, with certain pre-existing projects' funding potentially set past this coming year. Negotiations are ongoing regarding the UK's future relationship with Horizon 2020, although it seems likely that, at the very least, the UK post-Brexit will become an associate member like Israel – and therefore able to maintain this plank of UK-Israel research collaboration.

British officials are convinced that the sum total of the above initiatives, grants and collaborations can be measured empirically: **joint UK-Israel academic projects have greater citation impact in academic journals than the two countries alone**. According to the Elsevier academic publisher, British-Israeli collaborations have a Field Weighted Citation Impact of 4.24, compared to 1.57 (UK) and 1.49 (Israel) individually.

A key event for the Britain-Israel science partnership is the upcoming **UK-Israel Science Days** set to take place in London in March 2020. This biennial gathering, which lasts for three days, will involve events across London, including professional roundtables focused on discrete issues like clean growth and presentations at the House of Lords.



## Chapter 5 | Culture

The UK-Israel relationship is built on many solid foundations but cultural ties cannot be understated. British culture has for the past several decades been a mainstay in Israel, while Israeli cultural events in the UK have flourished in recent years despite sporadic campaigns for them to be boycotted.

**Music:** Israel has come a long way since it banned The Beatles from performing in the country in the 1960s (as one Israeli official put it at the time: “From an artistic standpoint, this group of singers has no real value”; less well-remembered is that Cliff Richard performed in Israel just before in 1963). In recent years major British acts like David Bowie, Sting, Depeche Mode, Iron Maiden, Tom Jones, Phil Collins, Take That, Paul McCartney, Elton John, Radiohead and Robbie Williams have [performed in Israel](#).

As Nick Cave wrote to one of his fans: “Partly the reason I am playing Israel – not as support for any particular political entity but as a principled stand against those who wish to bully, shame and silence musicians”. In particular since the early 1990s and the advent of cable television – and MTV Europe – in Israel, an entire generation grew up on Britpop groups like Oasis, Blur and The Verve (to name but a few), whose songs are still played regularly on Israeli commercial radio.

Israeli musicians have made less impact on the UK market, although in recent years artists like Asaf Avidan, Aviv Geffen and Idan Raichel have played in London. In September 2011, however, a performance by the Israel Philharmonic Orchestra at the BBC Proms was disrupted by activists four times, forcing the BBC to take it off air (believed to be the first time in history that has happened).

**Food:** There are numerous Middle Eastern eateries in the UK, specifically in London, which are either Israeli owned or employ an Israeli chef. Most famously, Yotam Ottolenghi is the co-owner of six delis and restaurants in London and currently has a weekly recipe column in the Guardian. The BBC recently named Tel Aviv seventh in its [Top 10 Destinations for Foodies](#) in 2020, saying the city had “upped its game to become the world’s self-designated vegan capital”.

The visibility of British food and drink has increased in Israel in recent years. In particular, there appears to be a growing prevalence of “fish and chip” shops, often with decorative Union Jacks flying, as well as the availability in bars of quintessentially British beers like London Pride.





*Yotam Ottolenghi photographed at his Islington restaurant, June 2013.*

**Film and Television:** British films and television shows play regularly in Israel, in English, similar to Hollywood output writ large. Since the late 1980s, popular British shows like Monty Python, Mr. Bean, and Black Adder have aired regularly on Israeli television stations. Heading in the opposite direction, Israeli television shows have grown in popularity and profile in the UK due primarily to the advent of Netflix. Shows like *Fauda*, *Hostages*, *When Heroes Fly*, *Shtisel*, and *The Spy* (starring Sacha Baron Cohen, based on the life of Mossad agent Eli Cohen) were all amongst the most widely viewed shows on the streaming platform in the UK by late 2019.

Seret, the Israeli International Film Festival, has grown in strength in recent years, increasing the number of cinemas and areas which showpiece the best of Israeli film and television: in May 2019 London, Glasgow, Edinburgh, Brighton and Cambridge all hosted screenings across 15 different venues, despite (ineffective) calls for boycott. Indeed, [Dekel Berenson](#), an Israeli-born director, recently won a British Independent Film Award (BIFA) for his short film 'Anna', while the Israeli film 'Foxtrot' was picked by the Guardian as one of the [top 50 films](#) of 2019.

**Theatre and the Arts:** It is quite common for Israeli theatre troupes to perform in the UK, although some have been subject to protests. In recent years the Edinburgh Fringe in particular has been the site of both increased Israeli participation and controversy. In 2012, the Batsheva Dance Group's performance was interrupted three times in one sitting. In 2014, Israel's Incubator Theater ensemble had their performances cancelled after demonstrations at their opening show. Yet the Shalom Festival, an international gathering meant to ensure Israeli performers were able to return to the Edinburgh Fringe, ran successfully in 2016 and 2017 (it subsequently ran out of funding). Most recently, the play 'Knock Knock' by Israeli





actor/writer Niv Petel performed at the Edinburgh Fringe in 2018.

In Israel, British comedians are a growing part of the entertainment landscape. Jimmy Carr, in 2018, and Eddie Izzard, in 2017, performed to sold-out shows in Tel Aviv. The British Council in Israel, in collaboration with the Clore Israel Foundation, has also put on a “wandering roadshow” called Show UK, which aims to showcase British culture via collaborations with local artists. Show UK recently appeared at the International Fringe Festival in Beer Sheva and the Fresh Paint arts festival in Tel Aviv.

Arguably the pinnacle of Israeli culture entering the British consciousness was the award in 2017 of the Man Booker International Prize to Israeli literary icon David Grossman for his novel ‘A Horse Walks Into a Bar’. Amos Oz’s ‘Judas’ was also on the six book shortlist.

**Football:** Football is the most popular sport in Israel, with fans particularly engaged in the English Premier League. Most prominent matches are shown live on Israeli cable sports channels, and supporter groups for many of the major English clubs exist throughout the country. The appeal of English football in Israel has been helped by various Israeli footballers who, since the 1980s, successfully plied their trade in the UK – including Ronny Rosenthal (Liverpool), Eyal Berkovic (Southampton, Manchester City, West Ham, Blackburn, Portsmouth,



*Prince William, Duke of Cambridge, walks with Israel's 2018 winner of the Eurovision song contest, Netta Barzilai, at Rothschild Boulevard in Tel Aviv on June 27, 2018.*





Celtic), Yossi Benayoun (Liverpool, Chelsea, Arsenal, West Ham), Tomer Hemed (Brighton and Hove Albion, Queens Park Rangers, Charlton Athletic), and Beram Kayal (Celtic, Brighton, Charlton Athletic).

**The Royal Visit:** Prince William's visit to Israel in June 2018 – the first official visit by a member of the Royal Family – was hailed as an affirmation of bilateral ties and showcased, as the Prince put it, the comparable “innovation, diversity, talent and excellence” of both countries. Cultural ties were a key element of the itinerary and Prince William strolled down Tel Aviv's Rothschild Boulevard with Israeli Eurovision winner Netta Barzilai, played some volleyball on the beach, and took part in a footballing event with Jewish and Arab youth. William also visited Jordan and the Palestinian Authority.

**Tourism:** Multiple carriers service the London-Tel Aviv route, including British Airways, Virgin Atlantic, El Al, Easyjet and Wizz Air. In 2018, nearly 280,000 Israelis visited the UK, a record number according to Visit Britain. Heading in the opposite direction, slightly more than 200,000 Britons visited Israel in 2018, ranking fifth worldwide in country of origin for tourists to Israel.

**Tel Aviv and London:** The best cultural ambassadors for Israel and the UK may in fact be Tel Aviv and London, respectively. The most public manifestation of the close cultural ties between the two cities was the TLV in LDN festival (September 2017) and the reciprocal LDN in TLV festival (November 2019).

The original UK-based event was reportedly the brainchild of then Mayor of London Boris Johnson, who wanted to create a cultural exchange between his city and Tel Aviv. The subsequent TLV in LDN festival took place over four days and brought Israeli food, music, and art to boroughs across London, including the prominent featuring of Israeli DJ Guy Gerber, dance troupe Mayumana and an exhibition curated by artist Ori Gerscht.

LDN in TLV was sponsored by Virgin Atlantic and other private donors, and organised with the Tel Aviv Municipality. Over four days, British music, culture and food were showcased across Tel Aviv, including British cellist Natalie Clein who performed jointly with Israeli composer/pianist Gil Shochat, a show by the Hofesh Shechter dance company (Israeli but London-based), and British rap artists and DJs playing in Tel Aviv clubs. A football match was also held between a Great Britain squad and the Israel Special Olympics team.





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