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# Israel

# Exporter Guide

# Annual

# 2005

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**Report Highlights:**
Israel has a population of approximately 6.9 million with an annual growth rate of 1.8 percent. In 2004 private annual consumption expenditure per household totaled $27,840, of which 16.3 percent ($4,538) was for food. Israelis are considered quality-oriented and are willing to pay a premium for quality food products.

Includes PSD Changes: No
Includes Trade Matrix: No
Annual Report
Tel Aviv [IS1]
[IS]

## Section I: Market Overview

### Economic and Demographic Situation

In 2004 Israel's population totaled 6.87 million, of which 19 percent were Muslims and other minorities. The annual population growth rate was 1.8 percent. In June 2005, unemployment totaled 9 percent and 11 percent decrease compared to December 2004 (from 10.1 percent to 9 percent). The Central Bureau of Statistics (CBS) had published a forecast for 2005, in which an economic growth rate of 4.5 percent was predicted. Per capita gross domestic product (GDP) is expected to increase by 4.9 percent above that of 2004 and will total $17,620.

In Israel, an average household consists of 3.3 persons. Total private consumption is expected to rise by 4.1 percent. The annual average per capita income stands at $19,626. In 2005, the inflation rate is expected to reach 2.5 percent. All in all, the economic situation in Israel is improving, boosted by the disengagement plan.

In 1985 Israel signed a Free Trade Area Agreement (FTAA) with the United States. Since 1995, nearly all tariffs on trade between the two countries have been eliminated. Israel also has free trade agreements with Canada, Bulgaria, EFTA, Jordan, Romania, Turkey, Mexico, and the European Union. Israel has a customs union with the Palestinian Authority. As a member of the World Trade Organization (WTO), Israel implemented the WTO Customs Valuation Agreement that requires legislation to eliminate non-tariff barriers.

### Consumer Buying and Eating Habits

In 2004, the average monthly household expenditure totaled $2,320, of which $378 was for food (16.3 percent). Approximately 40 percent of food purchases occur on Thursdays and Fridays. When buying food, Israelis are quality oriented and are ready to pay a premium for quality food products. The Israeli consumer is acquainted with American products and wishes to have more of them available. During the last decade an increased share of consumers prefers to buy their products through supermarket chains, instead of the traditional channels of open markets and small grocery stores (see table 2).

**Table 1: Monthly Household Consumption Expenditure, $, CY 2003**

| | Value | Percent |
|---|---|---|
| Consumption Expenditure - total | $2,253 | |
| Bread, Cereals and Pastry Products | $56 | 14 |
| Vegetable Oils and Products | $7 | 2 |
| Meat and Poultry | $58 | 16 |
| Seafood | $13 | 3 |
| Milk, Milk Products and Eggs | $55 | 15 |
| Sugar and Products | $13 | 3 |
| Soft Drinks | $18 | 5 |
| Alcoholic Beverages | $6 | 2 |
| Miscellaneous Food Products | $31 | 8 |
| Fresh Vegetables & Fruits | $54 | 14 |
| Frozen & Pickled Vegetables | $14 | 4 |
| Dried Fruit | $7 | 2 |
| Fruit Juices, natural | $2 | 1 |
| Meals away from home | $43 | 11 |
| **Food - total** | **$377** | **100** |

**Source: Household Expenditure Survey, 2003, CBS.**

**Table 2: Food- Household Purchase by Outlet Type - % of Total Expenditure (Excl. Meals Away From Home), 2004**

| | Grocery Stores | Open Markets | Supermarket Chains | Others |
|---|---|---|---|---|
| **Food - Total** | **20.7** | **7.2** | **51.7** | **20.4** |
| Bread, Cereals and Pastry Products | 26.0 | 2.4 | 53.3 | 18.3 |
| Vegetable Oils and Products | 26.7 | 8.9 | 54.6 | 9.8 |
| Meat and Poultry | 8.9 | 4.9 | 44.3 | 41.9 |
| Fish | 10.2 | 11.9 | 45.1 | 32.8 |
| Milk, Milk Products and Eggs | 34.3 | 1.9 | 59.9 | 3.9 |
| Sugar and Products | 23.7 | 3.8 | 58.0 | 14.5 |
| Soft Drinks and Alcoholic Beverages | 30.1 | 2.1 | 58.6 | 9.2 |
| Fresh Vegetables | 8.4 | 26.3 | 35.4 | 29.9 |
| Fresh Fruits | 7.5 | 26.1 | 35.4 | 31.0 |
| Frozen & Pickled Vegetables | 21.2 | 3.2 | 70.2 | 5.4 |
| Dried Fruit | 22.7 | 17.0 | 47.8 | 12.5 |

**Source: Household Expenditure Survey, 2004, CBS.**

**Trade and the Market for U.S. Products and Services**

Israel is ranked twenty-first among the largest export markets in the world for all U.S. products and services. In 2004, approximately $20.3 billion in two-way trade was recorded, this is a 16 percent increase compared to the previous year. Although the European Union (EU) is Israel's largest trade partner, the United States is Israel's largest single country trade partner. In 2004, total imports were $41 billion, of which $6.1 billion (14.9 percent) were from the United States and $16.8 billion (41 percent) from the EU. According to Israeli statistics, in 2004 exports totaled $38.7 billion: $14.1 billion (36 percent) to the United States and $10.7 billion to the EU.

In 2004, agricultural imports to Israel totaled $2.9 billion, 18 percent above previous year levels (see annex 3). Of total agricultural imports, $615 million (21 percent) were from the United States and $1.04 billion from the EU. Israeli food and agricultural exports in 2004 totaled over $1.4 billion, of which $165 million (12 percent) were to the United States and $1 billion (mainly vegetables products) to the EU.

According to data from January - July 2005, U.S. food imports decreased by 35 percent (from $165 million to $107 million) compared to the same period in the previous year. On the other hand, food imports from the EU increased by 30 percent (from $292 million to $379 million) during the same period of time. In addition, food imports from Turkey have increased by 20 percent for the same period of time.

In 1996, Israel and the United States signed a five-year Agreement on Trade in Agricultural Products (ATAP), in which Israel was allowed to protect a number of sensitive crops and livestock products with a combination of tariff-rate quotas and relatively high duties.

**Table 3: Opportunities and Challenges for U.S. Exporters to Israel**

| Opportunities | Challenges |
|---|---|
| With the euro getting stronger, it is likely that the demand for U.S. products may increase | Due to the long distance between the U.S. and Israel, the shipping costs are high. |
| There is a tremendous growth in the number of food stores (supermarkets, grocery stores, 24-hour convenience stores), and restaurants. | The intensive competition from Eastern Europe, Turkey, Former Soviet Union, South America and the Far East. Products from those areas are cheaper then products from the U.S. and EU. |
| The Israeli consumer is acquainted with American products and wishes to have more of them here. | U.S. suppliers' interest in the Israeli market is still low. |
| Israel has the potential to be a "bridge" to the Palestinian Authority with its rapidly growing population and in the future an increased standard of living. | Israeli buyers lack familiarity with U.S. sources. |
| New and improved agricultural trade agreement between the U.S. and Israel. | U.S. exporters lack knowledge of the Israeli market and are unaware of new opportunities. |

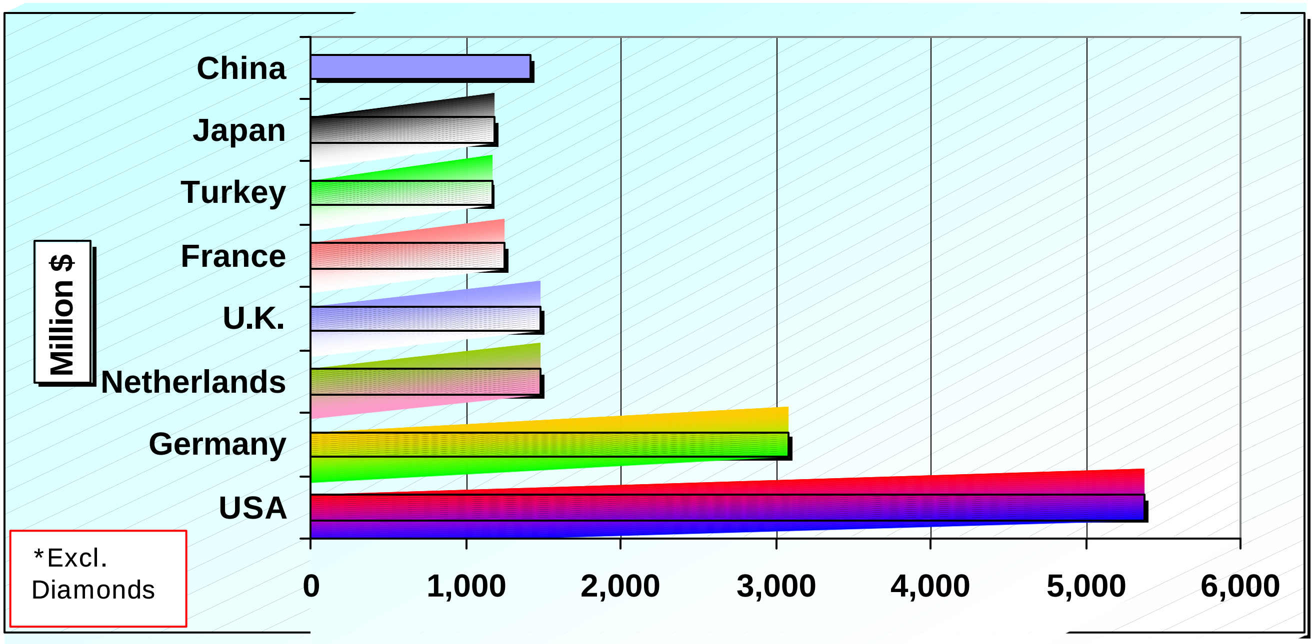
**Table 4: Imports, by Regions[1], $ Million**

| CY | Months | Total | EU | USA | Asia | Other |
|---|---|---|---|---|---|---|
| 2004 | 1-7 | 17,590.1 | 7,052.2 | 3,151.0 | 2,893.7 | 4,493.2 |
| 2005 | 1-7 | 20,388.7 | 7,619.2 | 3,219.1 | 3,506.1 | 6,044.3 |
| **Percent Change** | | **+15.91%** | **+8.04%** | **+2.16%** | **+21.16%** | **+34.52%** |

Source: Central Bureau of Statistics

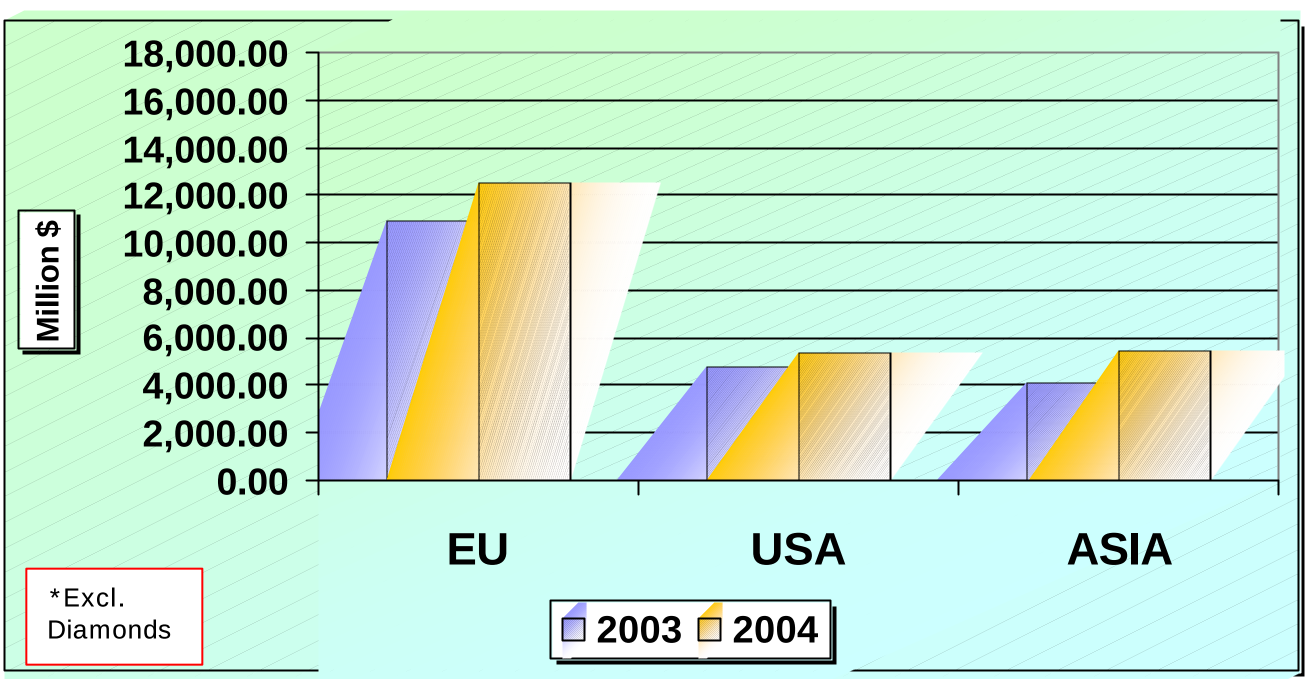
[1] Excl. diamonds

**Chart 1: Imports, by Major Countries, CY 2004**




Source: CBS, Foreign Trade Statistics, Different Years.

**Chart 2: Imports by Regions, CY 2003-2004**




Source: CBS, Foreign Trade Statistics, Different Years.

## Section II: Exporter Business Tips

### Local Business Customs:

1. Customs Valuation and Taxes

Israel has implemented the WTO Customs Valuation Agreement, effectively eliminating most non-tariff barriers. Under WTO regulations, the basis for valuation is the transaction value, in most cases the CIF price.

2. Value Added Tax and Purchase Tax

Recently Israel lowered the VAT to 16.5 percent on virtually all services and products sold in Israel (except fresh fruits and vegetables), including imports. The VAT on imports is levied on the CIF landed cost plus purchase tax. VAT is recovered by the importer upon resale of the goods and is ultimately paid by the consumer. Israel levies purchase taxes on many consumer goods. The GOI reduced or eliminated the tax on more than 600 items in 2000, including televisions, washing machines, electrical appliances and cosmetics. Rates that had ranged from 25-85 percent were reduced to 5-45 percent. Purchase taxes of up to 90 percent on motor vehicles, fuel, tobacco and liquor were left unchanged.

### Consumer Taste and Preference

The food service industry is expanding and consumers' habits are changing. Over the last few years, Israelis have begun to dine out more frequently and choose premium food when doing so. Approximately 20 percent of Israel's 6.8 million people are concentrated in the Tel Aviv district, Israel's commercial and financial center. Other major concentrations of the population are the Haifa area (15 percent), a major port city and center for the petrochemical industry, and Jerusalem (12 percent). While most companies are headquartered in the Tel Aviv or Haifa metropolitan areas, a growing number of firms maintain branches, showrooms, or service facilities in Jerusalem and Beer Sheva.

Consumer malls and shopping centers are popular in Israel. Over 200 malls exist and others are planned. Many American specialty shops, chain stores, and franchises have their outlets in malls and shopping centers. The key to success is offering an increasing variety of new products and services to the consumer.

The institutional services, including the army, hospitals, hotels, restaurants, banquet halls and places of employment, account for 30 percent of the total market share (households and institutional). Over 50 percent of the total food supply directed at non-institutional consumers is sold through supermarkets and retail chains. Three major supermarket chains with hundreds of outlets throughout the country dominate the retail food market. The average floor size of a supermarket is 600 square meters. Some of the larger stores have areas of 1,000 - 2,000 square meters. Typical Middle Eastern-style open-air markets and small groceries serve the remainder of the food market. In recent years, specialty food stores have developed in all of the main metropolitan centers.

### Food Standards and Regulations

See Gain Report IS5009 (http://www.fas.usda.gov/gainfiles/200508/146130535.pdf ).

The Standards Institution of Israel (SII) is the agency responsible for the development of most product standards, compliance testing, and certification of products and industry quality assurance systems. For further information, interested firms should contact: The Standards Institution of Israel, 42 Levanon Street, Tel Aviv 69977; Tel: 972-3-6465154; Fax: 972-3-6419683; E-mail: vered@sii.org.il.

It is the declared policy of the Government of Israel to adopt international standards wherever possible, and to implement mandatory standards related only to safety, health, and the environment. In practice, however, many products are still subject to mandatory standards some of which were designed to favor domestic producers over importers. As in the case of plywood, these local standards often specify terms of design rather than performance.

The Israel plywood standard effectively excludes most U.S. plywood from the market. Israel has not officially adopted ISO-9000 standards, although there is a growing preference for ISO-9000 standards among Israeli importers. This is especially important in the case of ingredients and raw materials destined for the production of export products.

The Government of Israel requires that food and health products be registered with the Ministry of Health before they can be sold in the country. FDA approval for food and health care products is not mandatory, but Israeli importers prefer it as it accelerates the product registration process and import license approval. Product registration normally takes from 4-6 weeks if all documentation is in order.

Another subject to be considered is the issue of kosher food. Kosher certification is not a legal requirement for importing food into Israel. However, non-kosher products have a much smaller market as the large supermarket chains and hotels refuse to carry them. Manufacturers who produce kosher products must be able to satisfy Israeli rabbinical supervisors that all ingredients and processes are kosher. According to the Law for Prevention of Fraud in Kashrut, only the Chief Rabbinate of Israel is authorized to determine and approve a product as kosher for consumption in Israel; the Chief Rabbinate may authorize another supervisory body to act in its name. Here too, U.S. products have an advantage as Israel's Chief Rabbinate recognizes the kashrut certification issued by many American rabbis. It is, however, quite simple for Israeli importers to send an Israeli rabbi to any supply source, thereby reducing the American advantage. In recent years, opportunity for non-kosher foods has been increasing as immigrants from the Former Soviet Union (FSU) make up a significant share of purchasing power (15 percent).

The Israeli food committee will publish the procedures for modified food registration in the immediate future, however labeling of modified food products is not yet required. Registration will be required for food products containing GMO ingredients derived from soybean, corn, canola and chicory (See Gain Report IS5008 - http://www.fas.usda.gov/gainfiles/200507/146130334.pdf )

### Import Procedure for Food Products

Recently, imported food products were divided into two groups - regular and non-regular products. The procedures for the two groups are as follows:

Importer Registration:

1. A qualified importer must complete an application stating that he or his representative has a storage facility. This procedure is used for the two types of products.
2. An importer of regular products has to complete an "Importer Statement".
3. Upon submission he will receive an official importer certificate from the Israeli Food & Nutrition Services.

Regular Products Registration:

1. Requires submitting a preliminary application for the authorization to import regular food products.

Non-Regular Products:

Importation requires the following procedures:

1. See section 1- importer registration
2. A preliminary application for authorization to import food products, and a border station release application. The following certificates are required for the purpose of releasing the food products from the border station:
   a. Original/copy official importer certificate
   b. Original/copy food certificate
   c. Shipping invoice
   d. Gate pass certificate
   e. Copy of the bill of lading and packing list
   f. Copy of the import tax notification

**Import Licenses**

All import licensing requirements for U.S. made consumer and industrial goods have been eliminated under the United States - Israel Free Trade Area Agreement (FTAA) of 1985 and World Trade Organization (WTO) agreements. Imported food items require the approval of the Ministry of Health's Food Control Administration, which is also responsible for approval of labeling and packaging. All plant material (including dried fruits and nuts) require import approval from the Plant Protection and Inspection Service. Unprocessed and unpackaged imported meat must be licensed by the Israel Veterinary Services (IVS) and originate in a plant which has been certified as approved by the IVS. Packed meat and poultry for retail sale are subject to licensing by the Food Control Administration of the Ministry of Health. Israel law requires that all meat and poultry imports be certified kosher by the Rabbinical Council of the Chief Rabbinate or a body authorized by the Council. As an exception, it is possible to import non-kosher beef offal. Israel's veterinary authorities ban imports of bone-in beef from countries where there is a danger of transmitting Foot and Mouth Disease (FMD) or Bovine Spongiform Encephaly (BSE), also known as the Mad Cow Disease.

**General Tips for Exporters**

- Consider participating in FAS Tel Aviv organized or sponsored events.
  FAS Tel Aviv normally participates in ISRAFOOD - An International Food & Beverages Exhibition in Tel Aviv for professionals of the catering and food wholesale, retail, restaurants, hotels, institutional and food shops. During the same time the HOTEX exhibition takes place – presenting food display and restaurant equipment. It is the largest trade exhibition of its kind in Israel. Israfood represents an excellent opportunity to present products to key food importers, distributors,

retailers, wholesaler and processors. The trade show takes place during the month of November.

- Communicate with potential importers of your product. Contact FAS Tel Aviv to obtain a list of local importers; Tel: 972-3-519-7588/7324/7686; Fax: 972-3-510-2565; E-mail: gilad.shachar@usda.gov; Yossi.barak@usda.gov;

## Section III: Market Sector Structure and Trends

### 1. Retail Food Sector

In 2004, the retail food market was valued at $7.7 billion, of which 43 percent ($3.3 billion) belonged to the three major retail food-marketing chains. The traditional open markets capture only 9.5 percent ($738 million) of the food market. The private supermarkets (the "fourth chain") held 14 percent of market share, while grocery stores and minimarkets held 24 percent ($1.89 billion). Approximately 5,500 grocery stores and 1,700 minimarkets exist in Israel. Due to the intensive competition in the Israeli food sector, the grocery stores and minimarkets are operating at very small profit margins. More than 100 convenience stores, which are open 24 hours, were established in recent years. The food sector's growth in CY 2004 totaled 2 percent.

**Table 5: The Three Major Chains, CY 2004**

| Chain | No. of Stores | Commercial Area | Turnover |
|---|---|---|---|
| Super Sol | 156 | 3.6 million sq.ft. | $1.38 billion |
| Blue Square Coop | 165 | 3.0 million sq.ft | $1.29 billion |
| ClubMarket[2] | 110 | 2.1 million sq.ft | $0.67 billion |
| **Group Total** | **431** | **8.7 million sq.ft** | **$3.34 billion** |

**Table 6: Other Supermarkets**

| Store | No. of Stores in 2004 | Type of Store | Turnover in 2004 |
|---|---|---|---|
| Tiv Taam | 15 | Non-Kosher/International | $289 million |
| Hatzi Hinam | 4 | Discount/Kosher | $244 million |
| COOP Jerusalem | 26 | Kosher | $167 million |
| Rami Levi | 7 | Discount/Kosher | $89 million |
| Birchat Haaretz | 17 | Kosher | $89 million |
| Yad Yizchak | 3 | Discount/Kosher | $67 million |
| Victory | 7 | Discount/Kosher | $56 million |
| Haviv | 1 | Discount/Kosher | $49 million |
| Madanei Manya | 4 | Discount | $34 million |
| **Grand Total** | **64** | | **$1.08 billion** |

[2] ClumMarket was sold to the Super-sol in August 2005.

### 2. HRI Sector

The Israeli HRI market is very complex and diverse. Food service is divided into two categories: commercial and institutional. The commercial sector is divided into subsectors: hotels and restaurants. The commercial sector comprises an estimated 650 hotels and hostels, 2,300 restaurants, more than 700 banquet halls, over 420 coffee shops and cafeterias, and about 900 pubs and bars. In 2004, the market value of the restaurants, coffee shops, pubs and bars was estimated at $2 billion. Approximately 45 and 23 percent of the bars and pubs respectively, are located in central Israel and northern Israel. In Israel there are about 2,300 kiosks, with a market value of $1 billion annually. Fifty percent of the kiosks are located in central Israel. In Tel Aviv, approximately 1,550 restaurants, clubs, pubs and bars exist.

The institutional food service companies include approximately 4,000 kitchens. The Israeli Defense Forces (IDF) is the largest institutional food consumer. It is estimated that the IDF alone consumes about 4 percent of all Israeli food through its purchasing channels. Currently the IDF is in the process of privatizing its food supply chain (150,000 meals/day). The Israeli police force will join the IDF as a consumer in the project adding an additional 20,000 meals/day. Total revenue of the Israeli food trade is estimated at $7.07 billion, and the HRI market is valued at $4.42 billion.

In 2004, 1.5 million people visited Israel, bringing tourism to its highest levels since 2001; entries into the country rose by 42 percent compared to the previous year.
In 2004, income from tourism totaled $2.4 billion, a 15.6 percent increase compared to the previous year.

## Section IV: Best High Value Products Prospects

Wine and beer
Energy drinks
Coffee and Tea
Ice cream
Soy food products
Frozen pizza
Morning cereals
Fish and seafood products
Baby food
Crackers
Frozen vegetables
Pet food
Vinegar and Olive oil
Dried fruits & Nuts
Intermediate products for further processing (whip toppings, corn and potato starch, milk powder, products for the baking industry)

In addition, recently the social economic cabinet of Israel approved a plan to allow organized gambling on horse racing in Israel. The number of race horses is expected to increase from 250 to 1,200 (380 percent), in addition to the development of many supporting services. Two new hippodromes will be constructed, and it is estimated that horseracing gambling will begin in 2007. The future presents good opportunities for U.S. suppliers (See Gain report IS5001 - http://www.fas.usda.gov/gainfiles/200506/146129922.pdf)

**Section V: Key Contacts and Further Information**

**U.S. Mailing Address**: AGRICULTURE UNIT 7228 BOX 3 APO AE 09830
Packages can weigh no more than 70 pounds and must not be larger than 108 inch. Anything larger will be subject to a tariff.

**Local Mailing address**: Contact the Office of Agricultural Affairs in the U.S. Embassy in Tel Aviv. Contact: Tel: 972-3-5197588, Fax: 972-3-5102565, E-mail: us_emb@netvision.net.il
Web Site: www.usembassy-israel.org.il/fas/

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**Food Control Service**
**Ministry of Health**
12 Ha'arba'a St.
64739, Tel Aviv
Israel
Web site: http://www.health.gov.il/english/
Tel: 972-3-6270100
Fax: 972-3-5619549
Contact: Ms. Ruthy Shinberg: Tel: 972-3-6270107
Milk Products Import Specialist: Contact: Mr. Eli Gordon: Tel: 972-3-6270136

**Israeli Veterinary Services.**
Web Site: http://agri3.huji.ac.il/~yakobson/vetserv/index.html
Ministry of Agriculture
P.O. Box 12
50250, Bet Dagan
Israel
Contact: Dr. Moshe Chaimovich, Director. E-mail: cvo_vsah@moag.gov.il, mosheh@moag.gov.il
Tel : 972-3-9681614, 972-3-9690871
Fax: 972-3-9681641, 972-3-9681746

**Import & Export Veterinary Division**

Chief Import & Export Veterinary Officer Dr. Med. Vet. Roni Ozari

Tel: 972-3-9681649, Fax: 972-3-9605194. E-mail: ronio@moag.gov.il

**Plant Protection & Inspection Service**
P.O. Box 78
50250, Bet Dagan
Israel
Contact: Ms. Miriam Freund, Deputy Director
Tel : 972-3-9681561
Fax: 972-3-9681582
E-mail: miriamf@moag.gov.il
Web Site: www.ppis.moag.gov.il/PPIS/SiteEnglish/SiteinEnglish/

**Standards Institution of Israel**
42 H. Levanon St
69977, Tel Aviv
Israel
Web Site: www.sii.org.il
General Information: E-mail: vered@sii.org.il
Tel : 972-3-6465154
Fax: 972-3-6419683

**Major Newspapers and Business Journals**
- English Language:
Ha'aretz (daily English version) http://www.haaretz.com
The Jerusalem Post (daily newspaper) http://www.jpost.com
Globes http://www.globes.co.il/serveen/
The Marker http://www.themarker.co.il/eng /

**More Useful Web Sites**

Bank of Israel - http://www.bankisrael.gov.il/firsteng.htm

Central Bureau of Statistics - http://www.cbs.gov.il/engindex.htm

The Agricultural Research Center of Israel - http://www.agri.gov.il/

Ministry of Agricultural and Rural Development - http://www.moag.gov.il/english/

Faculty of Agricultural, Food and Environmental Quality Sciences
http://www.agri.huji.ac.il/index-eng.html

**Annex 1: Regular Products (may change in the future)**

| Group | Description | Group | Description |
|---|---|---|---|
| **1. White Chocolate** | 1.1 White chocolate with additives (almond, raisin, etc.). | **6. Candies** | 6.1 Pressed candies. |
| | 1.2 White chocolate with cream. | | 6.2 Hard candies with flavors. |
| | 1.3 White chocolate snack, with cream. | | 6.3 Hard candies filled with flavors. |
| | White chocolate candy, with cream. | | 6.4 Hard candies filled with chewing gum. |
| **2. Milk Chocolate** | 2.1 Milk chocolate. | | 6.5 Toffee with flavors. |
| | 2.2 Milk chocolate with additives (almond, raisins, etc.). | | 6.6 Toffee filled with flavors. |
| | 2.3 Milk chocolate snack, with cream. | **7.** | Other confectionery |
| | 2.4 Milk chocolate candy, with cream. | **8.** | Beverage flavors |
| | 2.5 Milk chocolate with cream. | **9.** | Brown flavors |
| **3. Acrid Chocolate** | 3.1 Acrid chocolate | **10.** | Dairy flavors |
| | 3.2 Acrid chocolate with additives (almond, raisins, etc.) | **11.** | Fruit flavors |
| | 3.3 Acrid chocolate snack, with cream. | **12.** | Meat flavors |
| | 3.4 Acrid chocolate candy, with cream. | **13.** | Mint flavors |
| | 3.5 Acrid chocolate with cream. | **14.** | Nuts flavors |
| **4. Chewing Gum** | 4.1 Chewing gum with flavors | **15.** | Tobacco flavors |
| | 4.2 Chewing gum filled in flavors | **16.** | Vanilla flavors |
| **5. Confectionery** | Starched candies | **17.** | Vegetables spices and herbs |

| Group | Description | Group | Description |
|---|---|---|---|
| **18. Sugar** | 18.1 White sugar | **31. Wafers** | 31.1 Regular wafers |
| | 18.2 Brown sugar | | 31.2 Coated wafers |
| | 18.3 Burnt sugar | | 31.3 Filled wafers |
| **19.** | Cocoa powder | | 31.4 Filled and coated wafers |
| **20.** | Mix for Ice cream (parve) | **32.** | Crackers |
| **21.** | Sweet spreads (like Nutella) | **33. Biscuits** | 33.1 Regular biscuits |
| **22. Chocolate for cooking** | 22.1 Regular Chocolate for cooking | | 31.2 Coated biscuits |
| | 22.2 Chocolate for cooking with additions | | 31.3 Filled biscuits |
| | 22.3 Chocolate for cooking with cream | | 31.4 Filled and coated biscuits |
| | 22.4 Candy chocolate for cooking | **34. Pasta products** | 34.1 Dried pasta, based on durum |
| | 22.5 Snack chocolate for cooking | | 34.2 Dried pasta, based on wheat, without durum |
| **23. Milk Chocolate for cooking** | 23.1 Milk Chocolate for cooking | **35. Starch** | 35.1 Wheat starch |
| | 23.2 Milk chocolate for cooking with additives | | 35.2 Corn starch |
| | 23.3 Milk Chocolate for cooking with cream | | 35.3 Potato starch |
| | 23.4 Candy milk chocolate for cooking | **36. Wheat and products** | Wheat, Wheat flour, Matzot flour, Matzot, Wheat products |
| | 23.5 Snack milk chocolate for cooking | **37. Bread and products** | 37.1 White bread |
| **24.** | Sweetening (like sorbitol) | | 37.2 Black bread |
| **25.** | Sweetening (like Aspartame) | | 37.2 Special bread |
| **26.** | Emulsifiers | | 37.3 Sabbath loaf, standard and sweet |
| **27.** | Emulsifying salts | | 37.4 Rolls and Bagels |
| **28.** | Firming agents | | 37.5 Muffins |
| **29.** | Flavor enhancers | | 37.6 Toasts |
| **30.** | Glazing agents | | 37.7 Croutons |
| | | | 37.8 Pastry flakes |
| | | | 37.9 Pitta (oriental bread) |

| Group | Description | Group | Description |
|---|---|---|---|
| **38. Halvah** | 38.1 Sesame halvah | **52. Desserts and powder for desserts** | 52.1 Pudding mix, without gelatin |
| | 38.2 Sesame halvah with additives | | 52.2 Gels and powders |
| | 38.3 Other halvah | **53. Processed fruit and vegetables** | 53.1 Dried fruits |
| | 38.4 Other coated halvah | | 53.2 Sweated fruits |
| **39. Cookies** | 39.1 Regular cookies | | 53.3 Dried vegetables |
| | 39.2 Filled cookies | | 53.4 Sweated vegetables |
| | 39.3 Coated cookies | **54.** | 54.1 Canned fruits in syrup |
| | 39.4 Pizza | **55. Oiled / salted / vinegary vegetables and fruits** | 55.1 Canned fruit and vegetables in vinegar |
| | 39.5 Filled and coated cookies | | Canned fruit and vegetables in salt |
| | 39.6 Cakes | | Canned fruit and vegetables in oil |
| **40. Yeasts** | 40.1 Instant dried yeasts for baking | **56. Jams** | 56.1 All kind of jams |
| | 40.2 Other yeasts | | 56.2 Confiture |
| **41.** | Colors | | 56.3 Fruit dainty |
| **42.** | Flour treatment agents | **57. Sauces** | 57.1 Vinegar |
| **43.** | Gelling agents | | 57.2 Vinegary sauces |
| **44.** | Modified starches | **58.** | Mustard |
| **45.** | Raising agents | **59.** | Fillings and coating for cakes |
| **46.** | Stabilizers | **60.** | Acidity regulators |
| **47.** | Enzymes | **61.** | Anti foaming agents |
| **48. Non alcoholic beverages** | 48.1 soft drinks, carbonated | **62.** | Preservatives |
| | 48.2 Soft drinks, non carbonated | **63.** | Propellants |
| **49.** | Beer, till 0.5% alcohol | **64. Snacks** | 64.1 Snacks with potatoes |
| **50. Syrup** | 50.1 Syrup with flavors | | 64.2 Snacks with cereals |
| | 50.2 Fruit syrup | | 64.3 Snacks with rise |
| | 50.3 Industrial syrup | | 64.4 Snacks with dried fruits |
| | 50.4 Syrup for Ice cream, drinks. | | 64.5 Snacks with nuts |

| Group | Description | Group | Description |
|---|---|---|---|
| **51.** | Powders for making drinks | | 64.6 Snack with soy protein<br>64.7 Granola Snacks |
| | | | 64.8 Snacks with corn |
| **65.** | Rice products | **84.** | Antioxidants |
| **66.** | Flavor and smell materials | **85.** | Acids |
| **67. Coffee** | Instant coffee, ground coffee | **86.** | Bulking agents |
| **68.** | Tea | **87.** | Foaming agents |
| **69.** | Beans: Cocoa, soy, coffee | **88.** | Thickeners |
| **70.** | Cereals flour, without wheat | **90. Juices and nectars** | 90.1 Juices |
| **71.** | Dried soy products | | 90.2 Nectars |
| **72.** | Corn and products | **91. Concentrates** | From fruits |
| **73. Spices** | 73.1 Mixed spices | | |
| **74. Fresh vegetables and fruits** | 74.1 Fresh fruits | | |
| | 74.2 Fresh vegetables | | |
| **75. Dried soups** | 75.1 Dried soups with noodles | | |
| | 75.2 Fried soups with rice. | | |
| | 75.3 Dried soups with vegetables | | |
| **76. Paste** | Sesame oil (tahina), nut paste | | |
| **77. Dishes** | 77.1 Instant Noodles dish | | |
| | 77.2 Instant Rice dish | | |
| | 77.3 Instant cereals dish | | |
| **78. Potato products** | Instant potato powder | | |
| **79. Oils** | Vegetables oils | | |
| **80.** | Attar Oils | | |
| **81.** | Morning cereals | | |
| **82. Nuts and Seeds** | 82.1 All kinds of nuts | | |
| | 82.2 All kinds of seeds | | |
| **83.** | Anti caking agents | | |

**Annex 2: Non-Regular Products (may change in the future)**

| Group |
| --- |
| 1. Milk products, and milk products substitutes (crops) |
| 2. Meat and poultry products, and their substitutes (crops) |
| 3. Fish products, and their substitutes (crops) |
| 4 Food supplements: vitamins, minerals and herbs |
| 5. Baby food |
| 6. Eggs products |
| 7. Canned food (under pH 4.5) |
| 8. Gelatin products, including products that contain gelatin |
| 9. Honey products |
| 10. Other food products that have to be stored in low temperature |
| 11. Mineral water |
| 12. Mushroom products |
| 13. Food that was exported, but was returned to Israel. |
| 14. The food and nutrition services have the final decision if they think that other products are also sensitive |

**Annex 3: Imports of Main Agricultural and Food Products**

| Product Category | 2003 | | 2004 | |
|---|---|---|---|---|
| | **Million $** | **Percent** | **Million $** | **Percent** |
| Live animals | 22.593 | 0.92 | 21.621 | 0.74 |
| Meat & edible meat offal | 118.271 | 4.83 | 156.779 | 5.39 |
| Fish, crustaceans and mollusca | 102.860 | 4.20 | 103.198 | 3.55 |
| Dairy produce; eggs, natural honey; edible products of animal origin | 25.295 | 1.03 | 31.669 | 1.09 |
| Products of animal origin n.e.c | 2.151 | 0.09 | 2.919 | 0.10 |
| Live trees and other plants, bulbs, roots and other garden plants | 8.405 | 0.34 | 9.995 | 0.34 |
| Edible vegetables, roots and tubers | 44.125 | 1.80 | 42.638 | 1.46 |
| Edible fruits and nuts; peel of melons and other citrus fruit | 82.271 | 3.36 | 92.719 | 3.19 |
| Coffee, tea, mate and spices | 44.193 | 1.80 | 49.810 | 1.71 |
| Cereals | 419.225 | 17.11 | 566.095 | 19.45 |
| Products of milling industry; malt and starches; wheat gluten | 50.247 | 2.05 | 41.641 | 1.43 |
| Oil seeds, grains, fruits, industrial and medical plants. Straw and feed | 222.230 | 9.07 | 280.737 | 9.65 |
| Tree gum; resins, other vegetable saps and extracts | 17.107 | 0.70 | 18.307 | 0.63 |
| Vegetable plaiting materials; vegetable products n.e.c | 4.323 | 0.18 | 7.830 | 0.27 |
| Animal or vegetable fats and oils; animal or vegetable waxes | 71.125 | 2.90 | 64.620 | 2.22 |
| Preparation of meat, fish, or of other aquatic invertebrates | 32.872 | 1.34 | 38.839 | 1.33 |
| Sugar and sugar confectionery | 158.689 | 6.48 | 163.823 | 5.63 |
| Cocoa and cocoa preparations | 71.983 | 2.94 | 77.240 | 2.65 |
| Preparations of cereals, flour starch or milk; pastry products | 84.927 | 3.47 | 94.457 | 3.25 |
| Preparations of vegetable, fruits, nuts and other plants | 105.922 | 4.32 | 135.029 | 4.64 |
| Miscellaneous edible preparations | 174.274 | 7.11 | 202.469 | 6.96 |
| Alcoholic beverages and vinegar | 78.885 | 3.22 | 96.426 | 3.31 |
| Residues and waste from the food industries; prepared animal feed | 72.429 | 2.96 | 127.895 | 4.39 |
| Wood and articles of wood | 293.560 | 11.98 | 327.358 | 11.25 |
| Cotton | 141.518 | 5.78 | 156.511 | 5.38 |
| **Grand total** | **2,449** | **100** | **2,910** | **100** |

Source: CBS, Foreign Trade Statistics, Different Years.