

U.S.-China – an Israeli Perspective

Israel is definitely affected by the big-power competition. The challenge is all the more felt against the background of a reduced U.S. geo-political footprint in the Middle East.

Like Europe, Israel is required to maneuver between the U.S. and China so as not to find itself squeezed between these two giants. China is increasingly interested in Israel's technology and innovation, has placed Israel on its One Belt One Road map, and has been investing in significant Israeli infrastructure projects. In 2018, China's exports to Israel increased to \$6.83 billion while its imports from Israel reached \$4.77 billion.

However, while Israel wants and very much needs Chinese investments and would like to develop its relations with China, a rising global power, it is acutely mindful of the fact that the U.S. is Israel's closest friend and ally and that there is no substitute whatsoever to Israel's strategic alliance with the U.S. At the end of the day, Israel will not risk its unique relations with the U.S. It is also well aware of the fact that Chinese interest in Israel has not translated into more favorable Chinese attitudes on the major policy issues critical to Israel, and that China continues to adopt policies at odds with Israeli interests.

Chinese involvement in certain projects in Israel (such as the Port of Haifa) and its pursuit of Israeli technologies have triggered some U.S. irritation and behind-the-scenes American pressures on Israel. As a result, Israel recently decided to establish a mechanism to examine external investments in Israel from the prism of national security. It is worth comparing Israeli (modest) measures to German recent measures in the same direction.

In this context, there is much room for Israeli-German (and Israeli-European) cooperation. The two sides should compare notes as regards the U.S.-China competition and its implications, and they should boost their defense, trade and scientific ties. To the extent that Europe moves towards new European defense initiatives and architecture (complementary to NATO), Israel could contribute to them.