



Flanders  
State of the Art

# OPPORTUNITIES TO EXPORT CHEMICALS

# TO ISRAËL

FLANDERS INVESTMENT & TRADE MARKET SURVEY



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# Opportunities to export **CHEMICALS TO ISRAEL**

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## Abstract

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Israel is globally recognized for its innovation. While there is not much attention paid to different chemical subsectors within Israel in common discourse, Israel certainly possesses a strong market in different chemical-related fields. In order for Israeli companies to develop products and grow their businesses, they are in need of raw materials and readily accessible chemicals that will accelerate or improve production processes.

In a nutshell, several factors make the Israeli market an attractive option for Flemish companies:

- The scope of the commercial activity in the sector,
- The versatility and quantities of required products,
- The fact that Israeli companies are export-oriented, so the relevant potential is much bigger than what the local market indicates.

Here follows a short overview of relevant subsectors in Israel, with reference to online resources for more in-depth information.

## Scope of import

The following is data from the Israeli Bureau of Statistics:

Imports, by Section and Chapter, \$ Million							
Chapter	Description	V		I - V		2016	2015
		2017	2016	2017	2016		
	<b>Section VI - Products of the Chemical and Allied Industries</b>	<b>515.1</b>	<b>531.8</b>	<b>2512.0</b>	<b>2389.7</b>	<b>5731.5</b>	<b>6019.8</b>
28	Inorganic chemicals	24.1	29.1	124.2	125.9	284.1	333.0
29	Organic chemicals	138.0	111.6	616.4	541.3	1338.8	1613.8
30	Pharmaceutical products	174.2	196.7	846.2	803.5	2006.5	1915.7
31	Fertilizers	7.1	6.0	24.1	27.3	56.5	59.9
32	Tanning & dyeing extracts; dyes, inks and mastics; putty	24.8	29.3	140.1	130.7	313.8	309.0
33	Essential oils and resinoids; cosmetic and toilet preparations	40.7	40.1	214.4	203.0	478.3	435.4
34	Soap, washing, lubricating, polishing, scouring preparations, candles and dental preparations	23.2	22.7	129.0	122.7	290.5	291.4
35	Albuminoidal substances; Modified starches; glues, enzymes	7.9	8.8	44.9	46.4	109.5	113.8
36	Pyrotechnic products; matches; certain combustible preparation	0.4	0.5	3.2	1.7	3.6	6.7
37	Photographic or cinematographic goods	8.6	10.0	46.4	39.8	90.9	98.4
38	Miscellaneous chemical products	66.0	77.2	323.4	347.4	759.1	842.7

According to ABH, the Belgian export of chemical products to Israel in 2016 was € 372.8 million.

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## Business Opportunities in Israel

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### Industry

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Israel's chemical industry is recognized for its production of minerals and fertilizers. As a result of a limited amount of natural resources and locally produced raw materials, Israel's chemical industry seeks to find relevant raw materials and innovative ways to produce high-quality products through technology.

The industry has been growing impressively in recent years and 170 companies in the sector represent 29% of the entire industrial production of Israel and about 34% of the Israeli industrial export.

Please find more information on Israel's chemical industry [here](#). See in [Appendix A](#) examples of importers and distributors and in [Appendix B](#) a list of the biggest companies in the sector.

### Agriculture

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Agriculture is an important industry within Israel (See details [here](#) and [here](#)). Therefore, Israeli companies are constantly looking for innovative ways to increase business opportunities, improve their products and expand their reach.

Insecticides, and other common chemicals, are frequently used locally under stringent regulation to assure the safety of crops for consumption. Recently implemented laws state that pesticides must be safe for human consumption and environmentally friendly. It is the obligation of pesticide distributors to make sure they are compliant with the [standard procedure](#) outlined by the Ministry of Agriculture. Therefore, products that meet the European regulations are of particular interest for Israeli companies.

The current restrictions on insecticides can be found [here](#).

### Paints, Coatings, Adhesives & Resins

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Israel's paint industry has been active globally. Tambour, the biggest company in the industry in Israel ([bought in 2014](#) by Kusto Group Inc), is perhaps the most notable. The company, a manufacturer and an importer, has conglomerates across the world and is a competitor in the European market. In addition, there are dozens of Israeli companies that manufacture (and/or import) paint, coatings, adhesives, and resins that are likely to source chemical materials/products to improve and create new items to market. See examples in [Appendix A](#).

### Pharmaceuticals

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[Teva](#), an Israeli company, which (at the timing of writing this paper) faces a serious crisis, has been dominating Israel's, and the global, pharmaceutical industry. While there are not many competitors as powerful as TEVA within Israel, there is still certainly opportunity to enter [the pharmaceutical sector](#), not in the least because the industry is [forecasted](#) to grow from \$1.75 billion in 2015 to around \$2.12 billion by 2020.

### Cosmetics and Personal Care Items

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Quite a number of Israeli cosmetics companies have made use of unique minerals, salts and black mud that are found in the Dead Sea, to manufacture skin care, health and beauty products.

In an effort to increase trade activity with E.U. Member States, Israel has created laws that provide cohesiveness with E.U. restrictions. This includes similar standards for chemicals and preservatives used in cosmetic products. The Israeli industry then is constantly looking to expand to European markets. The similarities between the Israeli and the European laws on one hand and the determination to expand to Europe on the other, make the cosmetics industry in Israel an interesting potential client.

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## Trade Restrictions

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In general, [Israel's Ministry of Environmental Protection](#) and [Israel's Ministry of Health](#) oversee the use and consumption of chemicals in everyday products to insure safety and regulation. The Ministry of Environmental Protection provides a shortlist of relevant amendments regarding the use of chemicals on their [website](#). In addition, other governmental agencies are in charge of regulations based on the nature of the chemical and the area of its intended usage (e.g. Agriculture). Additionally, [Israel's Standards Institute](#) supervise imports to maintain their compliance with set government standards.

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## Appendix A

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### Chemical Importers and Distributors in Israel (examples)

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- Paint Manufacturers/ importers
  - [Tambour](#)
  - [Nirlat](#)
  - [Epolac](#)
  - [Denber Israeli Paints](#)
  - [Hama Industrial Chemicals](#)
  - [LSM Industrial Technologies](#)
  - [Alco Chemicals](#)
  
- Agriculture (Agrochemical) Manufacturers
  - [Adama](#)
  - [Gat Fertilizers](#)
  - [Haifa Group](#)
  - [ICL](#)
  
- Solvents and Cleaning Products
  - [Jacobi Company](#)
  - [Verolit Elex](#)
  - [Galil Chemicals](#)
  
- Pharmaceutical Companies
  - [Tradis Gat](#)
  - [Rafa](#)
  - [Mapi Pharma](#)
  
- Cosmetic/Personal Care Manufacturers
  - [Orokia](#) (also imports for agrochemicals, pharmaceutical and paint/construction)
  - [Helion](#)
  - [Sano International](#)
  
- General
  - [Israel Chemical Society](#)
  - [Chemical companies/ database](#)
  - [Israel chemical companies](#)
  - [Global Environmental Solutions](#)
  - [Eltra Chemicals](#)
  - [Y.S. Ashkenazi Agencies](#)
  - [Sorpol](#)
  - [Chemichlor Marketing](#)



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## Relevant Links







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- [Agricultural Facts in Israel](#)- This link provides brief insight on Israel's agricultural industry, including a few facts about Israel's crop protection mechanisms through the use of insecticides
- Pharmaceutical Industry- [Industry growth in Israeli pharmaceuticals](#)
- Cosmetic Industry- A few of the advantages of working within [Israel's cosmetics industry](#)
- Paint Industry- The Jerusalem Post explores the unpredicted success of Israel's paint industry in [this article](#).
- [Manufacturers Association of Israel](#)- This organization is in charge of overseeing the manufacturing processes of several Israeli industries. This includes, but is not limited to, regulating the use of Chemicals for product development. The association aims to assist the growth of its respective industries while implementing fair and safe manufacturing standards.
- [The 15th International Exhibition for Chemical and Process Industries](#) trade show (March 2019)




## Appendix B


### Biggest chemicals, minerals & refinery companies in Israel


Rank 2016	Company	Sales NIS Millions	Exports/ Overseas Sales of NIS Millions	Net Profit NIS Millions	Employees No.	Parent Company	Main Rank 2016 - Industry
1	Oil Refineries (ORL) 	21,342.9	9,492.5	873.2	1,481	–	3
2	ICL 	21,008.7	20,075.8	1,978.4	13,558	Israel Corp.	4
3	<a href="#">Haifa Chemicals</a>	2,192.9	–	–	800	TRI-HF llc	34
4	Naphtha 	1,831.2	182.7	123.3	281	J.O.E.L. Jerusalem Oil Exploration	44
5	Gadiv Petrochemical Industries	1,681.1	1,466.8	–	100	Oil Refineries	*
6	<a href="#">Sano-Bruno's Enterprises</a> 	1,484.2	109.4	116.0	1,673	–	56
7	Delek Drilling 	821.2	–	433.6	13	Delek Energy Systems	95
8	Avner Oil Exploration 	794.9	–	415.4	13	–	98
9	Dor Chemicals 	510.0	–	–	400	–	131
10	Phibro Israel 	445.0	–	–	290	Phibro Animal Health Corp.	149

<b>11</b>	<a href="#">Tadiran Batteries</a>	421.8	383.0	–	571	Soft Sweden, AB	150
<b>12</b>	HBO 	295.0	–	–	50	Oil Refineries	*
<b>13</b>	Sharon Laboratories	290.0	70.0	–	248	–	201
<b>14</b>	Gadot Biochemical Industries	239.0	–	–	105	Delek Group	224
<b>15</b>	Alon Natural Gas Exploration 	221.2	–	80.0	1	Alon Oil	231
<b>16</b>	Aromor Flavors and Fragrances	210.9	209.4	–	112	International Flavors & Fragrances	236
<b>17</b>	Maxima 	189.6	–	10.6	196	–	249
<b>18</b>	Stockton (Israel)	182.1	181.7	–	36	Sichuan Hebang Corp.	253
<b>19</b>	Luxembourg Industries	165.0	–	–	170	Luxembourg Pamol	266
<b>20</b>	Delkol	141.3	17.7	–	85	Delek	276

\* Parent company ranked

 Company data are evaluated

 Company shares are traded abroad

 The company trades in Israel

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