



UK economic links with Israeli settlements in occupied Palestinian territory

A research paper prepared for the Sir Joseph Hotung Programme for Law, Human Rights and Peace Building in the Middle East, School of Oriental and African Studies, University of London

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Summary

Since June 1967, Israel has occupied the West Bank (including East Jerusalem), the Gaza Strip and the Golan Heights. These territories are beyond the “Green Line”, which is accepted as the provisional, *de facto* border of Israel, until the successful conclusion of the Middle East Peace Process confirms her permanent international frontiers. Israel has established civilian settlements in these occupied territories, which is illegal according to international law. The creation of these settlements is in violation of Israel’s obligations under the Fourth Geneva Convention of 1949 which was adopted to protect civilians during armed conflict. This was known by Israel in 1967 when the then Israeli government first considered establishing civilian settlements in the territories it had captured during the Six Day War. Israel’s settlements in the Gaza Strip were dismantled in August 2005. In the West Bank and the Golan Heights, however, settlements are expanding and new ones are being established in breach of international law and, in relation to the West Bank, the Road Map.

Economic activities in the West Bank and East Jerusalem

An occupying power is entitled under international law to make use of the economy and resources of the territory it occupies, but only in order to fulfil the needs of its army and to meet the costs of administering the occupied territory. In recent years there has been a growing concern in Europe that economic links with settlements may simply perpetuate the illegal situation created by settlements. This report focuses only on Israeli settlements in the West Bank, including East Jerusalem. It does not examine settlement products emanating from the occupied Golan Heights or whether any UK companies are involved in the construction of settlement infrastructure, including the West Bank wall. The objective is to identify the roles played by UK companies, organizations and institutions in supporting – directly or indirectly – the existence, functioning and continued expansion of Israeli settlements in the occupied Palestinian territories.

Business activities in the settlements and their associated industrial zones are very important for their economic viability. Agricultural companies producing fruit, vegetables and flowers dominate, but industries producing food products, plastic products, metal products, chemicals, cosmetics, and many other products are also relevant for the economy of the settlements and thus are an important factor in their continued existence. Accordingly, these economic links sustain a continuing violation of international law, which has grave consequences for the enjoyment of human rights by the local non-settler population.

The purpose of this report is to document economic links between UK companies and those based in settlements. The research has identified 68 British companies which have direct or indirect relationships with Israeli settlements in occupied Palestinian territory; 49 of which have their head office in the United Kingdom and 19 of which are British subsidiaries of companies based in Israel or other countries.

Trade relationships

Until relatively recently, products originating from settlements in the occupied territories were labelled as originating from Israel. This meant that it was impossible to identify whether products marked as Israeli had been produced in Israel proper, or whether they originated in settlements. Following the conclusion in June 2000 of the EU-Israel Association Agreement, under which Israeli industrial exports and many agricultural exports to the European Union became exempt from import duties, this practice continued even though settlement products are not eligible for preferential treatment under the terms of the agreement because they originate or have been produced outside Israel’s own territory.

Human rights groups protested that this mislabelling practice violated the Association Agreement (tariff preference and human rights provisions), and general international law. Subsequently, the EU required that all goods imported into the EU from Israel under the Tariff Preference Programme, be marked with their place of origin and postcode. This was in order to prevent settlement products benefiting from the tariff preference regime. These new rules came into effect in February 2005. Since then product labels have generally distinguished between products originating from Israel and those originating from the West Bank. Despite this, some settlement producers attempted to circumvent these new rules by misrepresenting the place of origin on customs declarations and invoices. This prompted the EU to implement new rules that came into effect in July 2008 in an attempt to eliminate this practice.

While stricter labelling may have denied some settlement companies the benefits of preferential trade agreements available to companies located in Israel proper, it has been criticized for misleading consumers to assume that a product labelled “West Bank” originates from a Palestinian enterprise, when in fact it is more likely to have come from an Israeli settlement. The issue of settlement goods being imported free of import duties which is in breach of the EU-Israel Association Agreement and sold in the EU is topical in the UK, as the UK government is taking the lead within the EU to curb this practice.

During the research for this report, it became apparent that the process of verification of trading links between companies and Israeli settlements is often complex and difficult. The intertwining of the Israeli domestic economy with that of the West Bank also renders it more difficult for companies to track and trace the production process from start to finish, as they are often legally required to do.

A total of 27 Israeli companies operating in settlements and exporting to the United Kingdom have been identified:

- Fruit, vegetables and fresh herbs: Agrexco, Arava, Flowers Direct, Hadiklaim, Mehadrin Tnuport Export
- Other food products: Abady Bakery, Achdut, Adumim Food Additives/Frutarom, Amnon & Tamar, Oppenheimer, Shamir Salads
- Beverages: Adanim Tea, Soda-Club, Tishbi Estate Winery
- Cosmetics: Dead Sea Laboratories, Intercosma
- Pharmaceuticals: Fermentek
- Plastic products: Keter Plastic, Tip Top Toys, Twitoplast
- Metal products: DiSTeK, Mul-T-Lock, Yardeni Locks
- Textile products: Caesarea Carpets, Dispobud, Ofertex
- Other products: Greenkote

In most cases these companies export products produced in settlements in the occupied territories to the United Kingdom, sometimes mixed with products from Israel proper. In some cases the exported products are produced solely in Israel, but the company is listed here as it has a major office or factory in the settlements.

For 25 of these 27 companies a total of 51 British trading partners were found: 12 British marketing subsidiaries of the Israeli companies concerned and 39 British importers and retailers (see paragraph 3.12). Fruit and vegetables exported by these settlement companies are sold by major UK high street retailers, such as Tesco, Sainsbury's, Waitrose and Somerfield. Other products exported by settlement companies are sold by well-known British retail chains, such as Marks & Spencer (M&S), John Lewis and B&Q.

The following British companies sell products from more than one Israeli company linked to the Israeli settlements in the West Bank:

- Just Kasher is linked to six companies: Abadi Bakery, Achdut, Adanim Tea, Amnon & Tamar, Oppenheimer, Shamir Salads.
- Tesco is linked to four companies: Arava, Hadiklaim, Mehadrin-Tnuport, Soda-Club.
- Sainsbury's is linked to two companies: Hadiklaim, Soda-Club.
- John Lewis (including its supermarket division Waitrose) is linked to two companies: Ahava, Hadiklaim
- Argos is linked to two companies: Keter Plastic, Soda-Club.

Other British business links with the occupied territories

Three British companies with investments in settlements in territories occupied by Israel have been identified:

- Hanson UK is a supplier of heavy building materials to the construction industry. It has a subsidiary in Israel which owns factories and quarries in the West Bank. Hanson UK was acquired in September 2007 by German company HeidelbergCement.
- British Israel Investment is an Israeli property company owning a shopping mall in Maaleh Adumim, a settlement in the occupied West Bank. The major shareholder of British Israel Investment is the British businessman Leo Noë, the executive chairman of F&C REIT Asset Management.
- Unilever is a major Anglo-Dutch food, detergent and personal care company which owns a 51% share in Beigel & Beigel, a pretzel and snacks factory located in a settlement in the occupied West Bank. Unilever recently announced that it will sell its stake in Beigel & Beigel.

One British company offering products or services to Israeli settlements has been identified:

- Power tools from British manufacturer Record Power are imported from the United Kingdom to Israel by Israeli company D.N.M. Technical Equipment and Tools, which has a branch located in the Barkan Industrial Zone, in the West Bank.

The British bank HSBC is involved as underwriter in financing the Israeli state budget by helping the Israeli government to issue bonds on the international capital markets. On its own there is nothing wrong with this; it is only where such funds are used to support prohibited activities, such as the establishment of settlements in occupied territory and their associated infrastructure in breach of Israel's obligations under international law, would this raise concerns.

In addition, we found nine British financial institutions owning bonds issued by the State of Israel, which are used to fund activities undertaken by the government of Israel. Again, it is only where such activities are in breach of international law that this becomes a cause for concern:

- Artemis Investment Management
- Ashmore Investment Management
- Barclays Global Investors
- Capital International Ltd, part of Capital Group (United States)
- Fortis Investments (United Kingdom), part of Fortis (Belgium)
- Investec Asset Management
- Morley Fund Management

- Pictet Asset Management (UK) Ltd, part of Pictet (Switzerland)
- State Street Global Advisors UK Ltd, part of State Street Corporation (United States)

Two large Israeli banks, Bank Leumi and the Mizrahi Tefahot Bank, have subsidiaries in the United Kingdom. These two banks also have branches in settlements in the occupied territories. Their Israeli parent banks engage in mortgage and other lending activities that include financing the construction and acquisition of settlement housing and commercial properties and lending to settlement-based Israeli businesses. Bank Leumi is also a lender to the Jerusalem Light Rail project which links settlements in the occupied West Bank with Israel proper and thus consolidates the existence of these settlements.

The British investment company CSS was involved in several financing rounds for Greenkote, an Israeli company exporting coating with a plant and main R&D centre located in the Barkan Industrial Zone.

Introduction

This report is an empirical study that forms part of a wider project examining legal aspects of economic and trade issues arising from Israel's occupation of the OPTs which is being undertaken by the Hotung Programme at the School of Oriental and African Studies in the University of London. Although this wider project is still in progress, it was thought appropriate to place this empirical material in the public domain as a matter of general information and to inform the work of others.

The objective of this research project is to identify the roles played by UK companies, organisations and institutions in supporting – directly or indirectly – the existence, functioning and continued expansion of Israeli settlements in the West Bank and East Jerusalem.

Based upon this, the following specific research questions were formulated:

- Which UK companies trade, directly or indirectly, with Israeli settlements?
- Which UK companies are involved in or facilitate the construction of settlements in the OPTs?
- Which UK companies own offices, factories or other facilities located in Israeli settlements in the OPTs?
- Which UK companies/institutions offer products or services which support Israeli settlements in the OPTs?
- Which UK financial institutions invest in companies which are located (even partially) in Israeli settlements in the OPTs?
- Which UK companies, organisations or institutions are involved in encouraging investments in Israeli settlements (either in real estate or in other economic activities)?

A variety of openly available sources were used to research these questions. Many NGOs publish lists of Israeli companies active in the occupied territories, for instance Who Profits?¹, Gush Shalom² and Innovative Minds³ which were used as a starting point in trying to identify British companies which trade with these companies. Several Israeli organisations which promote exports, such as the Israel Export and International Cooperation Institute⁴, Matimop (Israeli Industry Centre for R&D)⁵ and Invest in Israel (Investment Promotion Centre of Israel's Ministry of Industry, Trade and Labour)⁶ provided useful additional information. Other sources used were online databases and financial press archives.

A summary of the findings of this report can be found on the first pages of this report. Chapter 1 presents an overview of economic activities in territories occupied by Israel and Chapter 2 of the history of the economic and diplomatic relationships between Israel and the EU and Israel and the United Kingdom. In Chapter 3 and Chapter 4 we present the links we found between UK companies and organisations, and Israeli companies active in the West Bank. With each link we give an indication of how certain this link is. This has been done because for a number of reasons it proved very difficult to access reliable data; some of the relevant information is proprietary but also companies may not make this information available.

1 Website Who Profits (www.whoprofits.org), Viewed in January 2009.

2 Website Gush Shalom (www.gush-shalom.org), Viewed in January 2009.

3 Website Innovative Minds (www.inminds.co.uk), Viewed in January 2009.

4 Website Israel Export and International Cooperation Institute (www.export.gov.il), Viewed in January 2009.

5 Website Matimop (www2.matimop.org.il), Viewed in January 2009.

6 Website Invest in Israel (www.investinisrael.gov.il), Viewed in January 2009.

For example an Israeli company might have four production facilities, only one of which is located in a settlement on the West Bank. Where a link was found with a British company, it would therefore not be clear whether the products sold by the Israeli company to the British one are manufactured in the factory on the West Bank or in one of the other factories. Where a UK link is classified as uncertain, it is an indication that it cannot be ruled out, but without further information is not possible to confirm. All those UK companies identified have been asked if the information pertaining to them is correct, and to provide any clarifications and corrections they might wish to make. Where responses have been received and verified, they have been incorporated into the report, and some companies' names were removed.

The uncertainty of certain links also highlights one of the features of the Israeli occupation of the Palestinian territories, which is that the economy of the settlements is so closely integrated into that of Israel itself that distinguishing between the two is very difficult. Trade statistics from the settlements tend to be amalgamated into those for the whole of Israel. Further, it should also be borne in mind that the findings of this report only represent a snapshot of economic links at one moment in time; these are dynamic relationships which are constantly changing.

Chapter 1 Economic activities in territories occupied by Israel

1.1 The economy of the settlements

Since 1967, Israel has occupied the West Bank (including East Jerusalem), the Gaza Strip and the Golan Heights. The West Bank and Gaza Strip are known as the occupied Palestinian territories (OPTs), while the Golan Heights are part of Syria. These territories are beyond the Green Line⁷, which is accepted as the provisional, *de facto* border of the State of Israel until the successful conclusion of the Middle East Peace Process settles permanent frontiers.

Israel has established civilian settlements in these territories, which according to international law, is illegal. Article 49 of the Fourth Geneva Convention⁸ (Part 1) states: "The occupying power shall not deport or transfer parts of its own civilian population into the territory it occupies."⁹ The Government of Israel was aware of the legal position when, in 1967, it first considered establishing civilian settlements in the territories it had captured during the Six Day War. The Government's Legal Adviser, Theodor Meron, was asked for his opinion on the issue, and he concluded that "civilian settlement in the administered territories contravenes explicit provisions of the Fourth Geneva Convention." He continued "if it is decided to go ahead with Jewish settlement in the administered territories, it seems to me vital, therefore, that settlement is carried out by military and not civilian entities. It is also important, in my view, that such settlement is in the framework of camps and is, on the face of it, of a temporary rather than permanent nature."¹⁰

Israel's settlements in the Gaza Strip were dismantled in August 2005 (although the effective occupation of the Gaza Strip has not ceased, with Israeli control of all borders, airspace and seaports). In the West Bank and the Golan Heights, however, settlements are expanding and new ones continue to be established¹¹, contrary to numerous UN General Assembly and Security Council Resolutions, the "Road Map"¹² and the Fourth Geneva Convention. These

7 The 1949 General Armistice Agreements set out the Green Line. They comprise the 24 February 1949 Egypt-Israel General Armistice Agreement, 42 United Nations Treaty Series 654; 23 March 1949 Lebanon-Israel General Armistice Agreement, *ibid* 655; 3 April 1949 Jordan-Israel General Armistice Agreement, *ibid* 656; and 20 July 1949 Syria-Israel General Armistice Agreement, *ibid* 657, available online at <http://treaties.un.org/doc/Publication/UNTS/Volume%2042/v42.pdf>. (last checked Dec 31 2008)

8 See Article 49 of the Fourth Geneva Convention of 1949, to which Israel is a State Party, available online at <http://www.icrc.org/Web/Eng/siteeng0.nsf/htmlall/genevaconventions>. See also the International Court of Justice's advisory Opinion of 9th July 2004 on the *Legal Consequences of the Construction of a Wall in the Occupied Palestinian Territory*, available online at <http://www.icj-cij.org/docket/files/131/1671.pdf> at para. 120. UN General Assembly resolution ES-10/15, which the UK voted to adopt, called on all States to fulfil their legal obligations as mentioned in the advisory opinion, and also to find ways to "ensure respect by Israel for the [Fourth Geneva] Convention". The text of the resolution is available online at <http://domino.un.org/UNISPAL.NSF/f45643a78fcb719852560f6005987ad/f3b95e613518a0ac85256eeb00683444!OpenDocument>. See also <http://www.fco.gov.uk/en/newsroom/latest-news/?view=PressR&id=2003705>. (all urls last checked Dec 31 2008)

9 Convention (IV) relative to the Protection of Civilian Persons in Time of War, Geneva, 12 August 1949.

10 A translation of this opinion from the original Hebrew into English is available at http://www.soas.ac.uk/research/our_research/projects/lawpeacemideast/resources/1967-meron-opinion.html (last accessed 9 January 2009)

11 A recent article in the Israeli newspaper, Haaretz, reveals details of a database of settlements (not including so-called 'outposts') in the West Bank, compiled by the Israeli defence establishment. It also cites Israeli Central Bureau of Statistics estimates that in 2008 the settlement population in the West Bank was approximately 290,000. See Uri Blau, 'Secret Israeli database reveals full extent of illegal settlement', *Haaretz*, 29 January 2009, available online at <http://www.haaretz.com/hasen/spages/1060043.html>. The database (in Hebrew only) is available at <http://www.haaretz.co.il/hasite/images/printed/P300109/uriib.mht> (last accessed 29 January 2009)

12 Available online at <http://www.state.gov/r/pa/prs/ps/2003/20062.htm> (last checked December 31 2008)

settlements constitute a grave and systematic human rights violation, harming the daily lives of over 3.7 million Palestinians and 21,000 Syrians living under Israeli occupation¹³. Furthermore, the violence between Israeli settlers and Palestinians in the West Bank is another dimension of this problem, and is well documented.¹⁴ The UK Government has consistently stated its concern with settlement activity, and since 2001 has repeatedly drawn attention to the Mitchell Report which cited settlement activity as the biggest obstacle to peace between Israel and the Palestinians, and thus to peace in the region as a whole.¹⁵

An occupying power is entitled under international law to make use of the economy and resources of the territory it occupies, but only in order to fulfil the needs of its army and to meet the costs of administering the occupied territory. An occupant is not permitted to exploit the economy and resources of the occupied territory to fulfil either its own domestic needs, or to benefit its own domestic economy. In essence it is required to keep the occupied territory separate, politically as well as economically. To permit otherwise would be to go against the logic of international law which prohibits an occupier from annexing territory it occupies.¹⁶

In the settlements and their associated industrial zones, Israeli companies operate in various industrial sectors. Agricultural production is very important, but industries producing food products, plastic products, cosmetics, and many other products are also relevant.

Despite these activities, the overall economic cost-benefit balance of the settlements for the Israeli economy appears to be negative. A precise estimate is difficult to make, as it is difficult to distinguish the costs of the settlements from the costs of the occupation itself. In 2005, the Alternative Information Center (AIC) estimated that since 1967 the total costs of the occupation amounted to US\$ 97 billion.¹⁷ In 2008, the AIC estimated the Israeli government spends approximately US\$ 9.3 billion every year to maintain the occupation. This equals about 13% of the government's total annual budget. Updating the 2005 estimate, this report estimates the total costs of occupation at the end of 2007 at US\$ 115 billion.¹⁸

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- 13 See for instance , Falk, R, *Situation of human rights in the Palestinian territories occupied since 1967*, UN Doc. A/63/326 (25 August 2008), available online at <http://www.unhcr.org/refworld/country,,UNGA,,PSE,,48e5e2be2,0.html> (last accessed 16 January 2009). For population and other statistics in the occupied Palestinian territories see for http://www.ochaopt.org/documents/OCHA_oPt_SocioEconomics_Fact_Sheet_April_2008_English.pdf. For information concerning the Syrian Arab population in the occupied Golan Heights see Note by the Secretary General on the *Economic and social repercussions of the Israeli occupation on the living conditions of the Palestinian people in the occupied Palestinian territory, including East Jerusalem, and of the Arab population in the occupied Syrian Golan*, UN Doc.E/2008/13-A/63/74, at pg.14, paras. 67-68,
 - 14 Association for Civil Rights in Israel, *2008 Report: the State of Human Rights in Israel and the Occupied Territories*, (ACRI: Jerusalem: December 2008) at p. 22. See also B'Tselem report on increase in settler violence , 7 Aug 2008, available at http://www.btselem.org/English/Settler_Violence/20080807_Surge_in_settler_violence.asp (last accessed 26 Jan 2009). See also Ahmad Jaradat & Sara Venturini, *Settler Violence Report: July and August 2008*, Alternative Information Centre, 11 September 2008
 - 15 Available online at <http://www.state.gov/p/nea/rls/rpt/3060.htm> (last accessed 9 January 2009)
 - 16 See the commentary to Article 47 of the Fourth Geneva Convention, para. 2, Pictet J (Ed), *Commentary to Geneva Convention IV relative to the protection of civilian persons in time of war* (ICRC: Geneva: 1958), *Commentary to Article 47*, 273, para. 2. Economic aspects of occupation under international law are discussed at length in a paper to be published later in 2009. Contact lawpeacemideast@soas.ac.uk for details.
 - 17 Shir Hever , *The Settlements - Economic Cost to Israel*, Socioeconomic Bulletin No. 2 The Alternative Information Center, Jerusalem / Beit Sahour, July 2005.
 - 18 Shir Hever, *Economy of the Occupation: Privatization of Israel's Refineries*, Socioeconomic Bulletin No. 16, The Alternative Information Center, Jerusalem / Beit Sahour, January 2008.

Settlements Established and Evacuated 1967 - 2008

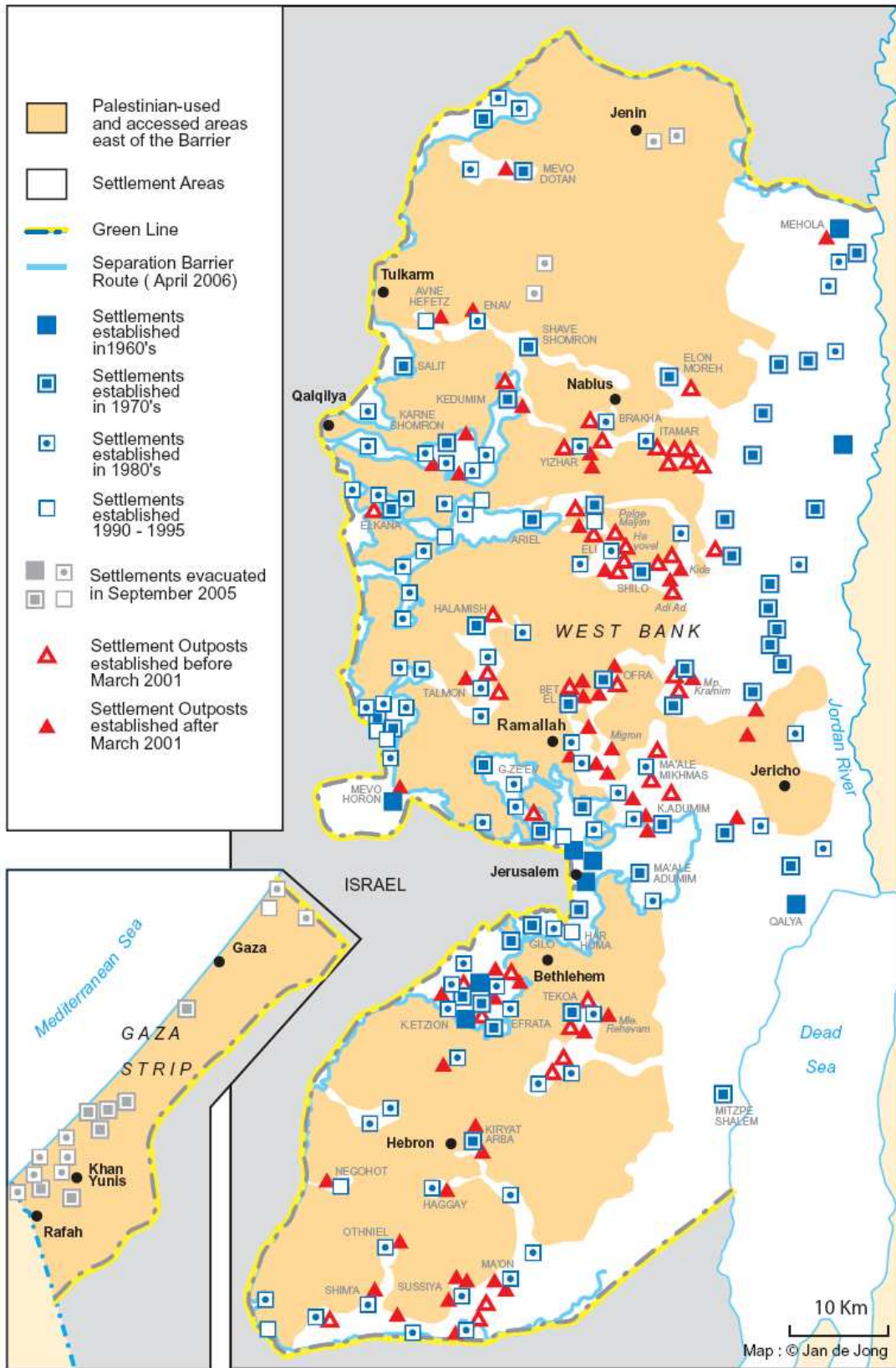


Figure 1. Israeli settlements in the occupied West Bank (2008) ¹⁹

19 Foundation of Middle East Peace (FMEP), Washington, January 2008.

1.2 Agriculture

Agriculture is a very important economic sector in the Israeli settlements, in particular those based in the Jordan Valley which accounts for 28.5% of the total West Bank area. In addition to the issues raised by the fact that they are settlements, these farms consume the equivalent of 75% of the annual water consumption of the Palestinian population of the entire West Bank²⁰. Many of the products are intended for export, mainly to the European Union. The most important agricultural export products from the settlements are:²¹

- avocados
- dates
- flowers (rose, carnation, gypsophila, and others)
- grapefruit
- grapes (as such and processed into wine)
- herbs
- melons
- other citrus fruit
- tomatoes
- cherries
- aubergines
- cucumbers
- peppers

Products grown mainly for the domestic market are:

- maize
- onions
- potatoes

Various sources indicate that crops produced in the Israeli settlements in the occupied territories are routinely mixed with other crops from Israel in the packaging facilities of the major exporting companies. It is therefore useful to look at the official agricultural export statistics of Israel, keeping in mind that these exports originate partly from Israeli settlements. Comparative figures for the Israeli agricultural exports are shown in the table below.²²

20 See Note by Secretary General, *Economic and social repercussions of the Israeli occupation on the living conditions of the Palestinian people in the occupied Palestinian territory, including Jerusalem, and of the Arab population in the occupied Syrian Golan*, UN Doc. A/61/67 and E/2006/13 (3 May 2006), 12-13, para. 47.

21 Israel's Exploitation of Palestinian Natural Resources in the Jordan Valley, Website Applied Research Institute Jerusalem (www.arj.org), Viewed in August 2008; To exist is to resist, Eye on Jordan Valley - Fact Sheet, MA'AN Development Center, Ramallah, May 2007.

22 Statistical Abstract of Israel, Central Bureau of Statistics, Issue 2007-No.58, Tel Aviv, August 2007.

Table 1 Agricultural exports from Israel (incl. occupied territories)

Product	Unit	1995	2000	2006
Avocados	thousand tons	38.8	29.8	41.9
Citrus fruit	thousand tons	333.4	283.8	140.0
Melons	thousand tons	17.5	18.8	10.6
Other fruit	thousand tons	31.2	28.9	60.0
Potatoes	thousand tons	30.4	105.1	229.9
Vegetables	thousand tons	33.0	61.7	169.4
Cotton, lint	thousand tons	34.9	14.4	21.5
Total	thousand tons	519.2	542.5	673.3
Flowers	US\$ million	193.5	140.0	213.0

As Table 1 shows, the total volume of agricultural exports has increased by approximately 30% over the past ten years although trade in some individual product groups has decreased. For example, citrus fruit has lost its dominant position as citrus exports decreased by 58%. The export of cotton and melons also is decreasing, while the export of vegetables and potatoes is growing rapidly. The export of avocados, other fruits and flowers is fluctuating.

Official export statistics do not reveal how much of the Israeli agricultural exports originate from the Israeli settlements. Statistics of the areas planted with different crops in the settlement areas and in Israel can however provide an indication. The figures in Table 2 are for the 2004/2005 season.²³

Table 2 Crop acreages in Israel and the Israeli settlements in territories occupied by Israel (2004/2005)

Product group / Region	Israel (ha)	West Bank & Gaza (ha)	WB & Gaza as % of total
Field crops (maize, corn)	152,580	3,520	2.3%
Vegetables, potatoes & melons	61,640	3,260	5.0%
Citrus plantations	15,900	200	1.2%
Other plantations	51,610	1,790	3.4%
Total	281,830	8,770	3.0%

As Table 2 shows, the agricultural area developed by settlers in the West Bank and in the Gaza Strip accounts for 3.0% of the total agricultural area in Israel (this does not include the area taken up by the settlements themselves). This is an indication of the statistical chance that unlabelled fruit and vegetable exports from Israel originate from the occupied territories. The percentage of crop acreage for vegetables, potatoes and melons is higher at 5.0%. The dismantling of the settlements in the Gaza Strip has probably not changed these figures significantly, as the agricultural area in the Gaza settlements was much smaller than in the West Bank settlements.

23 Statistical Abstract of Israel, Central Bureau of Statistics, Issue 2007-No.58, Tel Aviv, August 2007.

1.3 Manufacturing industry

Many manufacturing industries are active in the Israeli settlements, especially in the large industrial zones such as Atarot, Edomim (also known as Adumim) and Barkan. The following industries have a strong presence:²⁴

- plastic products
- metal products
- textiles
- carpets
- cosmetics
- food products
- wine

24 List of Products from Settlements in the Occupied Territories, Website Gush Shalom (www.gus-shalom.org), Viewed in August 2008.

Chapter 2 Relationships with the EU and the UK

2.1 Relationship with the European Union

Estimates produced by the Israeli government in 2003 valued the settlements' annual exports to Europe at about US\$ 200 million, comprising mostly agricultural produce, cut flowers, textiles, cosmetics and wine. However, when this total is adjusted to include exports wholly or partially produced in occupied territories, it is likely to amount to at least US\$ 2 billion, or 20 percent of total Israeli exports to the EU.²⁵ Most official statistics aggregate trade data for Israeli and settlement produce, making it difficult to determine exact figures.

In June 2000 the *EU-Israel Association Agreement* entered into force, regulating bilateral relations between the European Union and Israel. Under this agreement, Israeli exports to the EU are exempted from import duties. A dispute arose between Israel and the EU as a result of Israel's *de facto* application of the *EU-Israel Association Agreement* to settlements in the occupied territories as products originating in settlements were labelled as originating from Israel. Israel was thus treating settlements as part of its national territory, whereas according to international law they are not part of Israel. Therefore, settlement products are not eligible for EU trade benefits such as duty exemptions.

This labelling practice meant that it was impossible to identify whether products marked as Israeli had been produced in Israel proper, or whether they originated in settlements. Human rights groups protested that this mislabelling practice violated the Association Agreement (tariff preference and human rights provisions), and general international law.²⁶ In August 2004 a technical arrangement was concluded under which the EU required that all goods imported into the EU from Israel under the Tariff Preference Programme, be marked with their place of origin and postcode. This was to enable the customs authorities of the EU member states to distinguish Israeli products from those originating in the settlements and thus prevent settlement products benefiting from the tariff preference regime²⁷. This technical arrangement came into force in February 2005.

25 Peter Lagerquist, 'On settlement trade, Europe doesn't stand tall', *MERIP* (www.merip.org), 8 April 2003

26 See Euro-Med Human Rights Network Report, *A Human Rights Review on the EU and Israel – Relating Commitments to Actions*, Dec 2004, available online at <http://www.emhrn.net/usr/00000026/00000027/00000028/00000234.pdf> (last checked 31 Dec 2008)

27 'EU, Israel resolve trade dispute over settlements', *Reuters*, 5 August 2004; 'Citrus fruit from Israeli settlements loses EU tariff-free status', *Fruitnet.com*, 10 August 2004; Brussels Israel and EU begin new goods origin policy, *Fruitnet.com*, 2 February 2005. See also Joint Customs Consultative Committee (JCCC) Paper (05)06, available at http://customs.hmrc.gov.uk/channelsPortalWebApp/channelsPortalWebApp.portal?_nfpb=true&_pageLabel=pageLibrary_PublicNoticesAndInfoSheets&propertyType=document&columns=1&id=HMCE_PROD1_023628 (last checked 31 Dec 2008)

A problem arose regarding the implementation of this arrangement because a practice developed, particularly in relation to agricultural products, where a head office address inside Israel proper was used as the proof of origin on customs declarations, while a different statement of origin appeared on the product itself. For example, packets of herbs at point of sale were labelled as originating in the West Bank while the customs declaration stated a place of origin and postcode inside Israel, namely that of the head office of the exporter. A new technical arrangement, which came into effect in July 2008, sought to address this problem by putting the onus on the importer to verify that products meet the qualifying conditions for preferential treatment.²⁸

While stricter labelling may have denied some settlement companies the benefits of preferential trade agreements available to companies located in Israel proper, it has been criticized for misleading consumers to assume that a product labelled “West Bank” originates from a Palestinian enterprise, when in fact it is more likely to have come from an Israeli settlement.

The Israeli Ministry of Industry, Trade and Labor estimated in November 2004 that US\$ 150 million worth of exports originated from the settlements in the occupied territories. Because of the technical arrangement with the EU that sought to exclude them from the preferential treatment regime, it further estimated the exporters would lose an estimated US\$ 8 million in customs duties. As a result, the Ministry formulated a proposal to insure the exporters for this loss.

According to the Israeli newspaper *Globes* the government-owned Inbal Insurance Company, which insures special risks, would manage the compensation. Inbal Insurance would absorb the cost of EU customs on Israeli goods originating in the occupied territories, while the exporters would pay only a token insurance charge.²⁹ No confirmation was found that this insurance scheme has actually been implemented.

2.2 Relationship with the United Kingdom

2.2.1 Trade and economic agreements

In addition to the Association Agreement between the EU and Israel, there are two bilateral agreements between the United Kingdom and Israel: an Industrial Research and Development Agreement and an Avoidance of Double Taxation Treaty.

- The Avoidance of Double Taxation Treaty between the United Kingdom and Israel was signed in September 1962. Double taxation treaties are conventions between two countries that aim to eliminate the double taxation of income or gains arising in one territory and paid to residents of another territory.³⁰

28 See, Customs Information Paper (08)43, available at http://customs.hmrc.gov.uk/channelsPortalWebApp/channelsPortalWebApp.portal?_nfpb=true&_pageLabel=pageVAT_ShowContent&propertyType=document&id=HMCE_PROD1_028744 (last checked 31 Dec 2008)

29 Hadas Manor, ‘EU approves Israeli proposal for exports from territories’, , *Globes*, Tel Aviv, 10 November 2004.

30 United Kingdom FDI Country Profile, United Nations Conference on Trade and Development, Geneva, June 2005.

- The Industrial Research and Development Agreement was signed in 1999. The purpose of the agreement is to promote cooperation in industrial research and development between private sector companies in the United Kingdom and Israel by establishing a joint United Kingdom-Israel industrial research and development fund (the Britech Fund) to support collaborative projects between such companies.³¹ The Britech fund was initially launched for a period of five years, but extended for another four years. At the end of 2008 the fund was suspended. Funding for cooperation in industrial research and development appears increasingly to be channelled through European wide programmes such as Eureka and Eurostars.³²

In November 2008, the UK Business Secretary Lord Mandelson has called for deeper business ties between the UK and its "firm friend" Israel. The UK aims to raise trade between the two countries to £ 3 billion per year by 2012, from the 2007 level of £ 2.3 billion. According to the Business Secretary, opportunities exist in financial services, bio-technology, ICT, medical equipment and software, and also in creative industries, including film-making. The Business Secretary did not announce concrete funds or agreements.³³

2.2.2 Diplomatic relationships

The British government has consistently taken the position that the Israeli settlements are illegal and an obstacle to peace. In July 2008, Prime Minister Gordon Brown visited Israel. He met with President Shimon Peres, and told him that the UK supports Israel's right to exist in peace and security, but called on Israel's government to halt construction in the West Bank and to ease travel restrictions imposed on Palestinians. Gordon Brown also met with Palestinian President Mahmoud Abbas in the West Bank town of Bethlehem. He offered Abbas additional financial support and police training to the Palestinian government and pledged US\$500 million over 3 years to 2011 for economic development in Palestine.³⁴

The Foreign & Commonwealth Office and the Department for International Development both have a clear and consistent position on the continued settlement expansion in the OPTs.

- **Foreign & Commonwealth Office (FCO)**

In March 2008, a spokesman for the FCO said: "We are concerned by reports that Israel plans to build in the settlement of Givat Ze'ev. We see this as unhelpful - particularly when Israelis and Palestinians should be focusing on full implementation of their obligations under phase one of the road map, which include freezing all settlement activity, including natural growth."³⁵

31 Explanatory Memorandum on an Industrial Research and Development Agreement between the UK and Israel (01/06/99), Foreign & Commonwealth Office, London, June 1999; Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the State of Israel on Bilateral Cooperation in Private Sector Industrial Research and Development, Foreign & Commonwealth Office, London, 24 May 1999

32 Communication with UK contact point for the Britech fund/Pera, February 2009. See also <http://www.innovateuk.org/deliveringinnovation/internationalprogramme.ashx> (last accessed 6 February 2009)

33 Press release, 'Lord Mandelson calls for more business with Israel', Department for Business Enterprise and Regulatory Reform ref. PN 74/2008, London, 18 November 2008.

34 'Brown: U.K. a true friend of Israel, will work toward terror-free future', *Haaretz*, Tel Aviv, 20 July 2008.

35 Tovah Lazaroff & Michal Lando, 'Peace Now says there are plans to connect Jerusalem with the settlement of Adam', *Jerusalem Post*, Jerusalem, 11 March 2008.

In August 2008, FCO minister Kim Howells vowed to ensure that settlers will not be invited to future events hosted by the British embassy in Israel following a complaint by a Member of Parliament that Israeli settlers took part in a party to celebrate the Queen's birthday at the residence of the British ambassador to Israel in June.³⁶

The British Consulate General in East Jerusalem³⁷ is part of the Foreign & Commonwealth Office. On its website it states the following: "We are working for an end to Israeli settlement activity in the West Bank: The UK government's position on settlement activity is clear - it's illegal and completely undermines the peace process."³⁸

UK Trade & Investment (UKTI) is a directorate of the Foreign & Commonwealth Office. UKTI helps UK companies succeed in international markets and assists overseas companies to bring high quality investment to the UK. The UKTI website includes a section which provides information to British companies about the occupied Palestinian territories and is mostly aimed at development and aid provided to the Palestinians.³⁹ In August 2008, Lord Digby Jones, UK Minister for Trade & Investment and Andrew Cahn, UKTI's Chief Executive, visited Israel with a business delegation. No mention was made about the settlements or occupied territories.⁴⁰

- **The Department for International Development (DFID)**

DFID⁴¹ is the part of the UK Government that manages Britain's aid to developing countries and works to get rid of extreme poverty through development. Its website notes that "many different things can contribute to development which reduces poverty, such as settling conflicts, increasing trade, tackling climate change, securing more and better aid, and improving health and education."⁴² It has a programme aimed at the the OPTs. This programme is based on the importance the UK Government places on the achievement of an Israeli-Palestinian peace. It believes that sustainable poverty reduction and economic growth can only be achieved in the OPTs if a peaceful solution is secured. DFID works closely in the OPTs with the FCO and other government departments, to support the establishment of a viable Palestinian State living in peace alongside Israel.⁴³

36 Jonny Paul, 'UK minister: Keep settlers out of official events', *Jerusalem Post*, Jerusalem, 5 August 2008.

37 Its address is 19 Nashashibi Street, Sheikh Jarrah Quarter, P O Box 19690, Jerusalem 97200 , Tel: +972-2-5414153 Fax: +972-2-5322368 E-mail: britain.jerusalem@fco.gov.uk Website: ukinjerusalem.fco.gov.uk. The address of the British Embassy in Israel is 192 Hayarkon Street, Tel Aviv 63405, Israel. Tel: +972-3-7251222 Fax: +972-3-5243313 E-mail: webmaster.telaviv@fco.gov.uk Website: ukinisrael.fco.gov.uk

38 See <http://www.fco.gov.uk/en/fco-in-action/conflict/mepp/>

39 Website UK Trade & Investment (www.uktradeinvest.gov.uk), Viewed in August 2008.

40 Press release, 'UKTI Minister leads high profile business delegation to Israel', UK Trade & Investment, London, 18 August 2008.

41 Its address is DFID Palestinian Programme, Middle East and North Africa Department, 1 Palace Street, London SW1E 5HE, United Kingdom. Tel: 020-7023-0860 Fax: 020-7023-0744 E-mail: dfid_jerusalem@dfid.gov.uk

42 See <http://www.dfid.gov.uk/aboutdfid/default.asp> (last accessed January 16 2009)

43 Website DFID (www.dfid.gov.uk), Viewed in August 2008.

- **British Council in Israel**

The British Council is a charitable organisation promoting education and culture which acts independently of the United Kingdom Government. While it does not carry out its functions on behalf of the Government, the Secretary of State for Foreign and Commonwealth Affairs is answerable to Parliament for the policies, operations and performance of the British Council as the FCO is its sponsoring department.⁴⁴ For more than fifty years the British Council has worked in partnership with Israeli organisations and individuals in the development of Israel in education, English language skills, arts, governance, human rights, science, environment and technology. Many of the projects and programmes the Council works on are funded by the British Government through the Foreign and Commonwealth Office. The British Council has centres in Tel Aviv, West Jerusalem and Nazareth in Israel.⁴⁵ It also has a centre in East Jerusalem and contact points in An-Najah National University, Al-Quds Open University, and Palestine Polytechnic University.

44 See <http://www.britishcouncil.org/new/about-us/who-we-are/how-we-are-run/> (last accessed 16 January 2009).

45 Its address in Israel is Beit HaCrystal, 12 Hahilazon Street, PO Box 3302, Ramat Gan 52136, Israel. Tel: +972-3-6113600 Fax: +972-3-6113640/50 E-mail: info@britishcouncil.org.il Website www.britishcouncil.org/israel, Viewed in August 2008.

Chapter 3 UK companies importing from Israeli settlements

3.1 Statistics on UK - Israel trade

Israel is the UK's largest individual trading partner in the Middle East & North Africa. British imports from Israel amount to nearly £ 1 billion each year (see Figure 2). This made Israel the UK's 36th largest supplier in 2005. The UK is Israel's 4th largest export market, accounting for 3.6% of its exports (figure 2007).⁴⁶ As no distinction is made in these statistics between Israeli products and settlement products, the import figures from Israel include settlement products.

In 2007, British exports to Israel amounted to £ 1,173 million. Israel is the UK's 23rd largest export market worldwide. The United Kingdom was Israel's 6th largest supplier, accounting for 4.7% of Israel's total imports in 2007.⁴⁷

Figure 2. British imports from and exports to Israel plus the occupied territories



Source: Eurostat online database (epp.eurostat.ec.europa.eu), Viewed in August 2008.

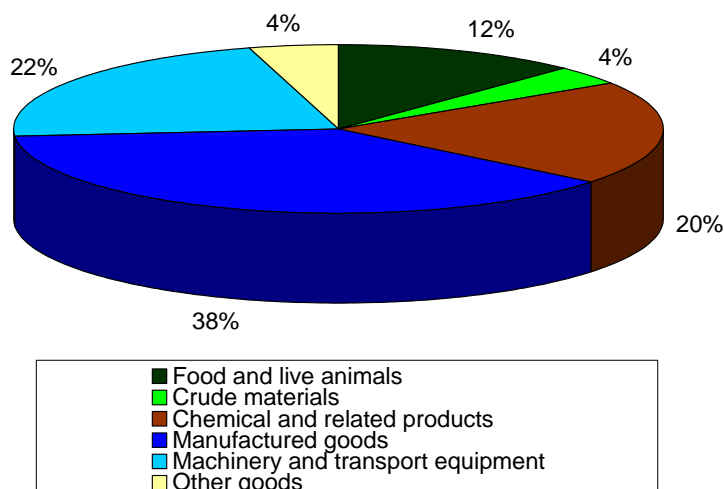
Figure 3 gives an overview of British imports from Israel (plus the occupied territories) by major product categories. The chart indicates that the most important British imports from Israel (including settlements) are manufactured goods (38%), machinery/transport equipment (22%) and chemicals (20%). Manufactured goods are mainly precious stones, textile products, and metal products. Machinery mainly consists of power-generating machinery, telecommunication products and electronic devices. Chemical products mainly consist of pharmaceutical products and plastic products.

Hidden in these statistics on trading relationships between the UK and Israel are the trading relationships between British companies and companies active in Israeli settlements. How many British companies have trading relationships with companies active in the Israeli settlements, and precisely how important these trading relationships are in financial terms, is difficult to assess. However, as the following paragraphs demonstrate, various trading links do exist between British companies and Israeli companies active in the main product categories mentioned above.

46 Statistical Abstract of Israel, Central Bureau of Statistics, Issue 2008-No.59, Tel Aviv, September 2008; Website British Embassy Tel Aviv (www.britemb.org.il), Viewed in August 2008.

47 Statistical Abstract of Israel, Central Bureau of Statistics, Issue 2008-No.59, Tel Aviv, September 2008; Website UK in Israel, Foreign & Commonwealth Office (<http://ukinisrael.fco.gov.uk>), Viewed in October 2008.

Figure 3. British imports from Israel and the occupied territories in 2007 (value %)



Source: Eurostat online database (epp.eurostat.ec.europa.eu), Viewed in August 2008.

3.2 Fruit and vegetables

In the past, the Israeli export market for agricultural products was controlled by Agrexco which was state-owned and had an official monopoly position for all agricultural exports. However, this monopoly was abolished in the 1990s. Another governmental organisation, the Citrus Marketing Board (CMB), similarly had the monopoly to market fresh citrus fruit grown in Israel, mostly under the brand name Jaffa. In the 1990s, the agricultural industry was liberalised which has resulted in, among other things, a passing of responsibilities from the CMB to private export companies which received licenses to export citrus products.

The liberalisation of the export structure has led to the creation of three major private companies which export most of the fresh produce from Israel to a large number of export markets:

- Agrexco: exports various vegetables and fruits, partly under its prestigious brand Carmel. Also exports citrus fruit under the Jaffa brand. Agrexco accounts for nearly 85% of the total export volume;
- Mehadrin-Tnuport Export Company (MTex): exports citrus and avocados under the TOP brand. And MTex is by far the largest exporter licensed by the CMB to export citrus under the Jaffa brand.
- Arava Export Growers: exports various vegetables and fruits, all under the Arava brand.

Besides these three leading exporters there are around 30 small- and medium-sized and often specialized export companies such as Hadiklaim (which exports dates).⁴⁸

48 Prodomos Kalaitzis, Gert van Dijk & George Baourakis, 'Euro-Mediterranean supply chain developments and trends in trade structures, in the fresh fruit and vegetable sector', 'Paper prepared for presentation at the *I Mediterranean Conference of Agro-Food Social Scientists*, 103rd EAAE Seminar 'Adding Value to the Agro-Food Supply Chain in the Future Euromediterranean Space', Barcelona, Spain, April 23rd-25th, 2007.

Several of these agricultural export companies export agricultural products grown in Israeli settlements to the United Kingdom. These fruit and vegetable products are often sold with a “West Bank” label of origin, which is confusing to customers who have assumed they are buying goods from Palestinian-owned farms. The major UK supermarket chains Tesco, Sainsbury's, Waitrose and Somerfield have all admitted recently sourcing produce from Israeli-owned farms on Palestinian territory, but they claimed that labelling the goods “*origin West Bank*” provides enough information for the customer to make an informed choice.⁴⁹ Tesco admitted sourcing 'a number of products' from illegal settlements, including avocados, herbs, grapes and stonefruit such as peaches from farms in the West Bank and Golan Heights. Sainsbury's sells dried dates from the OPTs which are labelled as grown in the West Bank. Waitrose, which is the supermarket division of the John Lewis Partnership, sells organic cut herbs from the West Bank. Somerfield also sells herbs from the West Bank.⁵⁰

The Israeli companies which are exporting these agricultural products from the OPTs to the UK, are described below:

- **Agrexco Agricultural Export Company**

121 Ha'hashmonaim Street
P.O. Box 20601
Tel Aviv 61206
Israel
Tel: +972-3-5630900
Fax: +972-3-563-0988
E-mail: info@agrexco.com
Website: www.agrexco.com



Agrexco is Israel's largest exporter of fresh agricultural produce. Agrexco exports over 100 products, with some 4,000 farmers supplying products under contract. It markets over 400,000 tons per year, of which 47% are vegetables, 19% flowers, 14% fruits, 5% plants and propagation materials, 4% citrus fruit, 3% organic produce, 3% general products & processed food and 5% general trade. It is owned by the Israeli government (50%), Israeli growers represented by the country's production and marketing boards (25%), and the Tnuva cooperative (25%). Annual turnover amounted to € 653 million in 2007, mostly realised by exports to the EU.⁵¹ Agrexco exports 85% of its products to Western Europe.⁵²

Most Agrexco products are exported under the Carmel brand name. Organic produce is marketed under the Carmel Bio Top label. Other brands used by Agrexco are Jaffa, Coral (created as a brand exclusively for Palestinian agricultural products exported and marketed by Agrexco), and Alesia. It should be noted however that the Jaffa brand name is not exclusive to Agrexco as other companies also export citrus under this same brand name.

49 Reactions from spokesmen of the supermarkets after being approached by the Observer, see also Paul Gallagher, 'Illicit' settler food sold in UK stores', *The Observer*, London, 6 July 2008, available at <http://www.guardian.co.uk/world/2008/jul/06/israelandthepalestinians.supermarkets> (last accessed 10 Feb 2009)

50 Paul Gallagher, 'Illicit' settler food sold in UK stores', *The Observer*, London, 6 July 2008; Tim Franks, 'Concern over Israel settlement exports', *BBC*, London, 5 November 2008, available at http://news.bbc.co.uk/1/hi/world/middle_east/7708244.stm (last accessed 10 February 2009)

51 'Israel's fresh exports – produce', *Eurofood*, 11 October 2001; Website Dun & Bradstreet Israel (duns100.dundb.co.il), available online at http://findarticles.com/p/articles/mi_m0DQA/is_2001_Oct_11/ai_79513435 (Viewed in August 2008)

52 S&G Pepper Today, no 6, Syngenta Seeds, Puebla de Vicar, December 2007, available online at <http://www.peppertoday.com/pdf/newsletter6.pdf> (last accessed 10 February 2009)

Agrexco is the main exporter of agricultural products from Israeli settlements (grapes, Medjoul dates, citrus fruits, herbs, vegetables, melons and flowers). These products are mostly sold under the Carmel brand. Citrus fruit from the settlements is sold under the Jaffa brand name and dates are sold under the Jordan Plains brand name.⁵³



Figure 4. Agrexco truck carrying products from the Jordan Valley through the West Bank⁵⁴

In January 2006, seven demonstrators who had participated in a blockade of the British office of Agrexco in Hayes in November 2004 were tried at Uxbridge Magistrates Court in the United Kingdom. During the proceedings, the British manager of Agrexco, Amos Orr, testified that Agrexco is responsible for marketing 60-70% of the agricultural produce grown in Israeli settlements in the occupied territories. These settlement products account for about 5% of Agrexco's total turnover.⁵⁵ This would equal € 30-35 million per year.

Agrexco has a branch office in the UK, responsible for importing Agrexco's fruit, vegetable and flowers:

Agrexco Agricultural Export Co. Ltd⁵⁶
Carmel House
4F Swallowfield Way
Hayes
Middlesex UB3 1DQ
Tel: 020-8848-7788

From this depot, Agrexco supplies fruit, vegetables, herbs and flowers to all major supermarkets. Products are sold both under the Carmel brand and under the private labels of the supermarkets. The United Kingdom currently represents about 35% of Agrexco's business.⁵⁷

Agrexco's vegetables, fruit and flowers are transported to the UK in two different ways:⁵⁸

- by boat to Marseille (France) and then further distributed to the UK

53 Apartheid and Agrexco in the Jordan Valley, Lena Green, *The Electronic Intifada*, 4 September 2005.

54 Picture taken by Coalition of Women for Peace, Tel Aviv, August 2008.

55 The Agrexco Seven - Day one, *Falestine Hurriyah*, Indymedia UK, London, 24 January 2006.

56 Yellow pages (www.yell.com), Viewed in August 2008.

57 'Weak sterling deters Israelis', *The Grocer*, Crawley, 12 May 2008, available at <http://www.thegrocer.co.uk/articles.aspx?page=articles&ID=126339>; Website British Leafy Salads (www.britishleafysalads.co.uk), Viewed in February 2009.

58 Website Agrexco (www.agrexco.co.il), Viewed in August 2008.

- by airplane mainly to Liege (Belgium) and then further distributed to the UK
Transport by airplane is decreasing in recent years due to rising fuel prices. Agrexco announced it intends to minimize transport by airplane in the coming years.⁵⁹

In the past two years there have been a number of protests at Agrexco's depot in Middlesex. In July and August 2007, activists entered the depot. In June 2008 activists occupied and shut-down Carmel Agrexco's headquarters and freight warehouse for over six hours.⁶⁰

Agrexco Agricultural Export Company:

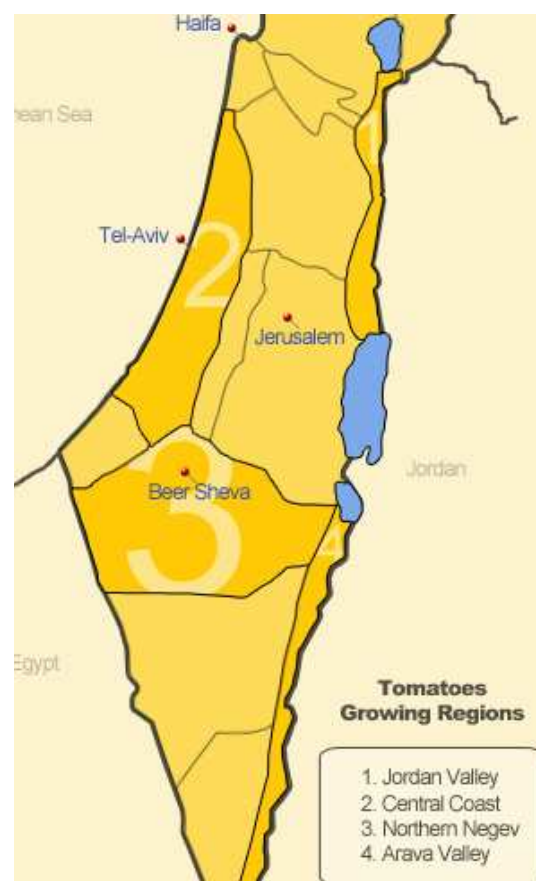
- **Active in settlements: certain**
- **Company link with UK: certain**
- **Settlement product sold in UK: certain**

- **Arava Export Growers**

P.O. Box 238
Bnei Atarot 60991
Israel
Tel: +972-3-9734141
Fax: +972-3-9734114
E-mail: marketing@arv.co.il
Website: www.arv.co.il

Arava Export Growers is the third largest agricultural export company in Israel, with export sales of about € 60 million. It is 50% owned by B. Gaon Holdings and 50% by farmers in the Arava region of Israel.⁶¹

The company exports (organic) peppers, tomatoes, melons, grapes, mangos, herbs, cucumbers, aubergines, watermelons and cut flowers to a large number of export markets, all under the Arava brand name. No recent figures on export quantities are available, but in 2000/2001 Arava Export Growers exported 18,000 tons of fresh produce from more than 200 growers from various regions of Israel (its map does not differentiate between Israel and occupied territory).⁶²



59 Algemeen directeur van Agrexco: "Zo min mogelijk gebruik van luchtvracht maken" (CEO of Agrexco: "Use air freight as little as possible"), AGF, Tholen, 13 August 2008.

60 Website London IMC (indymedia.org.uk), Viewed in August 2008.

61 'Israel's fresh exports – produce', *Eurofood*, 11 October 2001; Website Gaon Holdings (www.gaon.com), viewed in August 2008; Website Dun & Bradstreet Israel (duns100.dundb.co.il), Viewed in October 2008.

62 Website Ministry of Agriculture (www.moag.gov.il), Viewed in August 2008.

Arava is active for instance in the occupied Jordan Valley. The picture below is taken from Arava's website and shows its tomato growing regions which include the Jordan Valley, north of the Dead Sea, which is part of the West Bank. Arava also writes on its website that it exports peppers, herbs, grapes and organic products from the Jordan Valley.⁶³

Arava Export Growers is supplied by "Jordan River Herbs", a company owned by farmers from the settlement of Mechola in the occupied Jordan Valley.⁶⁴

Arava Export Growers had a sales office in the UK from 2001 until the end of 2008. A new company, Mill Associates, has taken over the marketing activities of Arava UK. Mill Associates was established by the former UK general manager for Arava. Mill Associates indicated in response to an earlier draft of this report sent to them for comment, that: '*Arava does not supply melons, mangos, cucumbers, aubergine, watermelons or cut flowers into the UK*'. This suggests that Arava does export the other export products grown by Arava - peppers, tomatoes, grapes and herbs - to the UK. As indicated above, these products could be grown by Arava's suppliers in the Jordan Valley, which is in the OPTs.⁶⁵

The address of Mill Associates Ltd. is:

Unit 5, The Mill Business Centre
Gringley on the Hill
Nottinghamshire DN10 4RA
United Kingdom
Tel: 01777-818333
E-mail: david@millassociates.co.uk

On its website, Arava states it complies with the Tesco Natures Choice standard, although it is not clear if Arava is actually supplying to Tesco.⁶⁶

Arava Export Growers:

- **Active in West Bank: certain**
- **Company link with UK: certain**
- **Settlement product(s) sold in UK: uncertain**

- **Flowers Direct / Agriver**

P.O. Box 179
Hevel Modiin
60850 Shoham
Tel: 972-3-9061000
Fax: 972-3-7608383
E-mail: sales@flowersdirect.co.il
Website: www.flowersdirect.co.il

63 Website Arava (www.arv.co.il), Viewed in September 2008.

64 Communication from David Crossland, Mill Associates, which has taken over the marketing activities of Arava UK, 3 December 2008; Coalition of Women for Peace, Tel Aviv, September 2008.

65 Website Arava (www.arv.co.il), Viewed in August 2008; Arava UK treads the Mill, Freshinfo, London, 3 October 2008; Email by David Crossland, Mill Associates, to SOAS, 3 December 2008.

66 Website Arava (www.arv.co.il), Viewed in August 2008.

Flowers Direct/Agriver was established in 1994, as one of the very first private Israeli exporters of cut flowers. Flowers Direct/Agriver initially began exporting to Eastern Europe, and later expanded to Western Europe, North America and the Far East as well. The company currently exports regularly to dozens of countries worldwide. Today the company employs over 30 people with the majority of them based in Israel.

Flowers Direct/Agriver also has a fruit & vegetables department that exports strawberries, fresh cut herbs, figs, organic peppers & tomatoes, regular peppers, cherry tomatoes, citrus, melons, pomegranates, mangos and sweet potatoes to several countries worldwide. Since 2004, Flowers Direct has marketed all its products under the brand name 'Agriver'.⁶⁷

Flowers Direct/Agriver in 2006 exported 1,500 tonnes of strawberries. The most important market is Great Britain, but Russia also constitutes a large export market for strawberries.⁶⁸

The organisation *Jews for Boycotting Israeli Goods (J-BIG)* claims Agriver sells strawberries from the West Bank.⁶⁹

Flowers Direct/Agriver claims it has an office in London, but no address was found.⁷⁰

Flowers Direct/Agriver:

- **Active in West Bank: uncertain**
- **Company link with UK: uncertain**
- **Settlement product(s) sold in UK: uncertain**

- **Hadiklaim - Israel Date Growers' Cooperative**

6 Harutz Street
Tel Aviv 67060
Israel
Tel: +972-3-6389555
Fax: +972-3-6885999
Website: www.hadiklaim.com

Hadiklaim - Israel Date Growers' Cooperative Ltd. exports dates from Israel and from the occupied territories, especially Israeli settlements in the Jordan Valley. In interviews Hadiklaim's CEO names the occupied sections of the Jordan Valley as one of the major areas in which dates are grown.⁷¹ The company has three brand names - Jordan River, Jordan River Bio-Top and King Solomon - but also sells under the private labels of supermarket chains.⁷²

Hadiklaim's marketing is handled by Israeli export company Almog Tradex Ltd.⁷³

67 Website Agriver (www.flowersdirect.co.il), Viewed in August 2008.

68 Lody van Berkel, 'Amos Betzer of Agriver: "Strawberries from Israel better than those from Egypt"', , *Freshplaza.com*, 26 November 2007, available online at http://www.freshplaza.com/news_detail.asp?id=11873 (last accessed 10 February 2009)

69 Website Jews for Boycotting Israeli Goods (J-BIG) (<http://bigcampaign.org>), Viewed in August 2008.

70 Website Agriver (www.flowersdirect.co.il), Viewed in August 2008.

71 Quotes taken from websites Ynet (www.ynet.co.il) and Anahnu (www.anahnu.com) and translated from Hebrew by the Coalition of Women for Peace, Tel Aviv.

72 Website Hadiklaim (www.hadiklaim.com), Viewed in August 2008.

73 Website Fruit Logistica Virtual Market Place (www.virtualmarket.fruitlogistica.de), Viewed in August 2008.

Activists report that Hadiklaim products are sold by Marks & Spencer, Sainsbury's, Tesco and Waitrose under their private brand names (i.e. the names of the supermarket chains).⁷⁴

In correspondence on this matter, Marks & Spencer stated the following:

*"In the past, we have sold dates from this region, however, we made a policy decision sometime ago to cease all purchases from this area. However, our UK suppliers do buy raw material (dates) from the organisation Hadiklaim on our behalf. The contract explicitly prohibits purchase from Palestinian Territories and Hadiklaim source the dates from elsewhere within Israel to satisfy our requirements. Traceability systems are in place to confirm the source of the dates."*⁷⁵

Hadiklaim:

- **Active in West Bank: certain**
- **Company link with UK: uncertain**
- **Settlement product(s) sold in UK: uncertain**

- **Mehadrin-Tnuport Export Company (MTex)**

Power Center 1
Be'erot Yitzaq 60905
Israel
Tel: +972-3-9371371
Fax: +972-3-9371372
E-mail: export@mtex.co.il
Website: www.mtex.co.il

With over 8,500 hectares of agricultural holdings, Mehadrin Tnuport Export (MTex) is Israel's largest grower and exporter of citrus as well as other fruits and vegetables. The company has annual sales of approximately US\$ 200 million with over 70% of the produce exported globally to all continents. Key destinations currently include the United States, Canada, Europe and Japan.⁷⁶

Since July 2007, MTex has also exported Medjoul dates, which are grown in Israel's Jordan Valley.⁷⁷ Since the Jordan Valley runs from the northern Dead Sea in the south to Lake Tiberias in the north, straddling both Israel proper and occupied territory, it is not entirely clear whether MTex grows these Medjoul dates in occupied territory.



Since 1996 MTex has an office in the UK:⁷⁸

3 Penta Court

74 Website Innovative Minds (www.inminds.co.uk/boycott-israeli-dates.php), Viewed in August 2008.

75 Email from David Gregory, Technical Director Food Division of Marks & Spencer, to SOAS, 19 December 2008.

76 Website Mehadrin Tnuport Export Company (www.mtex.co.il), Viewed in August 2008.

77 MTex voegt Medjoul-dadels toe aan het assortiment (MTex adds Medjoul dates to its line of products), AGF, Tholen, 5 July 2007.

78 Website Mehadrin Tnuport Export Company (www.mtex.co.il), Viewed in August 2008.

Station Road
Borehamwood, Hertfordshire
WD61SL
United Kingdom
Tel: 020-8114-9424
Fax: 020-3114-3040
E-mail: info@mtexuk.com

MTex is now the second-largest importer Israeli exporter of fruit and vegetables to the UK (after Agrexco). In 2005 the company exported 1,500 tonnes to the United Kingdom, with a value of £ 25 million. Among other products, MTex supplies potatoes to Tesco and Asda.⁷⁹

In 2008, MTex started a campaign to promote the Jaffa brand in the UK. Since mid-February, shoppers can enter a 'Win a Jaffa Car' competition. Tesco supports the campaign.⁸⁰

Mehadrin-Tnuport Export Company (MTex):

- **Active in West Bank: uncertain**
- **Company link with UK: certain**
- **Settlement product(s) sold in UK: uncertain**

3.3 Other food products

- **Abadi Bakery**

158 HaTozeret Street
Jerusalem 97800
Israel
Tel: +972-2-5855228
Fax: +972-2-5836026
E-mail: info@abadibakery.com
Website: www.abadibakery.com

Abadi is a manufacturer of salted bagel cookies. The company offices and factory are located in the Atarot Industrial Zone, which is a settlement in the West Bank. The company has official distributors in the US, China, France and Australia.⁸¹

Abadi products are sold in the UK by:

79 Sam Fortescue, 'Battered, yes, but not bowed', *The Grocer*, Crawley, 9 December 2006; 'This season will be great', *The Grocer*, Crawley, 9 December 2006.

80 Lody van Berkel, 'MTex announces support for the Jaffa brand in the UK', *FreshPlaza*, Tholen, 3 March 2008; 'Tesco set to promote Jaffa brand', *Talking Retail*, Swanley, 22 January 2008.

81 Website Who Profits (whoprofits.org), Viewed in August 2008; Website Abadi Bakery (www.abadibakery.com), Viewed in August 2008.

Just Kosher
5-7 Croxdale Road
Borehamwood, Hertfordshire
WD6 4QD
United Kingdom
Tel: 020-8207-5556
Fax: 020-8207-2229
E-mail: info@justkosher.co.uk
Website: www.justkosher.co.uk

Abadi Bakery:

- **Active in West Bank: certain**
- **Company link with UK: certain**
- **Settlement product(s) sold in UK: certain**

- **Achdut**

P.O. Box 79
Barkan Industrial Zone 44829
Israel
Tel: +972-3-9068020
E-mail: achdut-r@bezeqint.net
Website: www.halva.co.il

Achdut is a company manufacturing sesame products (tahini, halva), sugarless products, organic products, syrups, sweets, cakes, cookies & mini cakes. It uses the brand Achva. It is a major provider of tahini for the Israeli Army. The company is located in the industrial zone of the Barkan settlement, which is in the West Bank.⁸²

Achva products are sold in the UK by:

Kelmans' Kosher Foods
198 Preston Road
Wembley, Middlesex
HA9 8PA
United Kingdom
Tel: 020-8795-0300
E-mail: info@kelmans.com
Website: www.kelmans.co.uk

Just Kosher
Just Kosher Customer Service
5-7 Croxdale Road
Borehamwood, Hertfordshire
WD6 4QD
United Kingdom
Tel: 020-8207-5556
Fax: 020-8207-2229
E-mail: info@justkosher.co.uk
Website: www.justkosher.co.uk

82 Website Who Profits (whoprofits.org), Viewed in August 2008; Website Achdut (www.halva.co.il), Viewed in August 2008.

Adafina
67 Abbey Road
London NW8 0AE
United Kingdom
Tel: 020-7624-2013
E-mail: info@adafina.co.uk
Website: www.adafina.co.uk

Achdut:

- **Active in West Bank: certain**
- **Company link with UK: certain**
- **Settlement product(s) sold in UK: certain**

• **Adumim Food Additives / Frutarom**

Adumim Food Ingredients
Mishor Adumim 90610
Israel
Tel: +972-2-5353565
Fax: +972-2-5354187
E-mail: info@adumim.co.il
Website: www.adumim.co.il

Adumim is an Israeli manufacturer of food additives. The head offices and factory of the company are in the industrial zone of Mishor Edomim in the West Bank. In June 2007, the company was sold to the Israeli company Frutarom.⁸³

Frutarom creates, develops, manufactures and markets an extensive variety of high quality flavours and fine ingredients for customers in the food, beverage, functional food (claimed to have health promoting benefits beyond its nutritional value), flavour, fragrance, pharmaceutical, "nutraceutical" (blend of nutrition and pharmaceutical), and cosmetic industries. Frutarom markets and sells over 20,000 products to more than 10,000 customers in 120 countries, has 25 R&D labs and 45 sales and marketing offices throughout the world and operates 18 production facilities in Europe, North America, Israel and Asia. Frutarom employs 1,500 employees worldwide. Frutarom's major shareholder (approximately 37%) is ICC Industries Inc., a New York-based holding company that operates mainly in the chemical, pharmaceutical and plastic industries.⁸⁴

Frutarom has two offices in the UK:⁸⁵

Frutarom (UK) Ltd. - Fine Ingredients Division
Belasis Ave.
Billingham, Cleveland
TS23 1LQ
United Kingdom
Tel: 016-4237-9900
Fax: 016-4237-9901

83 Website Who Profits (whoprofits.org), Viewed in August 2008; Frutarom acquires Adumim Food Additives' activity, Frutarom, Haifa, 2 July 2007.

84 Website Frutarom (www.frutarom.com), Viewed in August 2008.

85 Website Frutarom (www.frutarom.com), Viewed in August 2008.

E-mail: FandF@uk.frutarom.com

Frutarom (UK) Ltd. - Flavours Division
Turnells Mill Lane
Denington Industrial Estate
Wellingborough, Northants
NN8 2RN
United Kingdom
Tel: 019-3344-0343
Fax: 019-3344-3267

In 2007 Frutarom bought the British flavour division of Belmay and the British flavour company Jupiter Flavours, thus making Frutarom the leading flavour house in the British market.⁸⁶

Belmay Fragrances Ltd⁸⁷
11 Pond Wood Close
Moulton Park Industrial Estate
Northampton
NN3 6RT
United Kingdom
Tel: 016-0449-2642
Fax: 016-0479-0396
Website: www.belmay.com

Jupiter Flavours Limited
5 Millenium Court
Buildwas Road
Clayhill Industrial Estate
Neston, South Wirral
CH64 3UZ
United Kingdom
Tel: 015-1336-7066
Fax: 015-1336-7270
E-mail: ian.spencer@jupiterflavours.co.uk
Website: www.jupiterflavours.co.uk

Adumim Food Additives / Frutarom:

- **Active in West Bank: certain**
- **Company link with UK: certain**
- **Settlement product(s) sold in UK: uncertain**

• **Amnon & Tamar**

16 Kalanit Street
Alfe-Menashe 44851
Israel
Tel: +972-9-7925657

86 Press releases: 'Frutarom acquires British flavors company Jupiter Flavours limited', Frutarom, Haifa, 19 April 2007; 'Frutarom acquires the flavors company Belmay', Frutarom, Haifa, 28 March 2007; 'Belmay Focus on Fragrance with Sale of Flavours Division', Belmay, New York, 29 March 2007.

87 Website Northamptonshire Chamber (www.northants-chamber.co.uk), Viewed in August 2008.

Fax: +972-9-7926682
E-mail: info@amnon-tamar.com
Website: www.herb-seasoning.com

Amnon & Tamar Ltd. produces herbal seasonings which are sold under the Pyramid brand name. The factory of the company is located in Israel itself, but its corporate office is located in the Israeli settlement Alfe-Menashe in the occupied West Bank. It is not clear where the herbs are being grown.⁸⁸

Pyramid herbal seasonings are imported and sold in the UK by:⁸⁹

Yarden GB Limited
7-8 Hemmells Park
Hemmells, Laidon, Essex
SS15 6GF
United Kingdom
Tel: 012-6841-0707
Fax: 012-6841-1566
E-mail: yarden@yardengb.ltd.uk

Pyramid herbal seasonings are sold in the UK by:

Just Kosher
5-7 Croxdale Road
Borehamwood, Hertfordshire
WD6 4QD
United Kingdom
Tel: 020-8207-5556
Fax: 020-8207-2229
E-mail: info@justkosher.co.uk
Website: www.justkosher.co.uk

Amnon & Tamar:

- **Active in West Bank: certain**
- **Company link with UK: certain**
- **Settlement product(s) sold in UK: uncertain**

• **Oppenheimer Manufacture & Marketing**

13 Mifalot Street⁹⁰
Atarot Industrial Zone
Jerusalem 97800
Israel
Tel: +972-2-6566691
Fax: +972-2-6566698

Oppenheimer Manufacture & Marketing (1998) Ltd. is a chocolate and confectionery producer located in the Atarot Industrial Zone in the occupied West Bank.⁹¹

88 Website Amnon & Tamar (www.herb-seasoning.com), Viewed in August 2008.

89 Website Amnon & Tamar (www.herb-seasoning.com), Viewed in August 2008.

90 Kompass Company Directory (www.kompass.com), Viewed in August 2008.

91 Kompass Company Directory (www.kompass.com), Viewed in August 2008.

Oppenheimer confectionery is sold in the UK by:

Just Kosher
5-7 Croxdale Road
Borehamwood, Hertfordshire
WD6 4QD
United Kingdom
Tel: 020-8207-5556
Fax: 020-8207-2229
E-mail: info@justkosher.co.uk
Website: www.justkosher.co.uk

Oppenheimer Manufacture & Marketing:

- **Active in West Bank: certain**
- **Company link with UK: certain**
- **Settlement product(s) sold in UK: certain**

• **Shamir Salads**

Shamir Salads is a producer of ready-made salads. It is located in the Barkan Industrial Zone.⁹² In January 2008, Shamir Salads was bought by G. Willi-Food, Israel's largest food importer and a supplier of an extensive range of quality kosher food products. Willi-Food's current product list includes some 400 food products.⁹³

Shamir Salads products are sold by:

Just Kosher
5-7 Croxdale Road
Borehamwood, Hertfordshire
WD6 4QD
United Kingdom
Tel: 020-8207-5556
Fax: 020-8207-2229
E-mail: info@justkosher.co.uk
Website: www.justkosher.co.uk

Shamir Salads:

- **Active in West Bank: certain**
- **Company link with UK: certain**
- **Settlement product(s) sold in UK: certain**

92 List of Products from Settlements in the Occupied Territories, Website Gush Shalom (www.gus-shalom.org), Viewed in August 2008.

93 Website G. Willi-Food (www.willi-food.co.il), Viewed in August 2008.

3.4 Beverages

- **Adanim Tea**

P.O. Box 38
Beit Lehem Haglilit 36007
Israel
Tel: +972-4-9534603
Fax: +972-4-9534683
E-mail: ariel@adanim-tea.co.il
Website: www.adanim-tea.co.il

Adanim Tea Co. produces organically grown herbal teas. The office of the company is located in Israel itself, but the company's production facility is located in Ofra, an Israeli settlement in the occupied West Bank.⁹⁴

Adanim teas are sold in the UK by:

Just Kosher
5-7 Croxdale Road
Borehamwood, Hertfordshire
WD6 4QD
United Kingdom
Tel: 020-8207-5556
Fax: 020-8207-2229
E-mail: info@justkosher.co.uk
Website: www.justkosher.co.uk

Adanim Tea:

- **Active in West Bank: certain**
- **Company link with UK: certain**
- **Settlement product(s) sold in UK: certain**

- **Soda-Club**

Gilboa Street
P.O. Box 280
70100 Ben-Gurion Airport
Israel
Tel: +972-3-9762323
Fax: +972-3-9736660
Website: www.sodaclub.com

Soda-Club Enterprises N.V. is a major Israeli soft drinks company, with legal headquarters in the Netherlands Antilles. Its carbonated soft drinks have to be prepared at home or in the office, with a carbonating device and various syrup mixes. The company claims to control 80% of this specific world market and has annual sales of about US\$ 150 million (€ 120 million) and 800 employees world-wide.⁹⁵

94 List of Products from Settlements in the Occupied Territories, Website Gush Shalom (www.gus-shalom.org), Viewed in August 2008; Website Mavua (www.mavua.com), Viewed in August 2008.

95 Ron Gregoor, 'Breda werkt! - Soda Club bedient vanuit Breda half Europa' (Breda works! - Soda Club serves half of Europe from Breda), BN/DeStem, 16 February 2005; Website Soda-Club (www.sodaclub.com), Viewed in August 2008.

From July 1996 the main production plant of the company was located in Ma'aleh

Adumim, an Israeli settlement in the occupied West Bank, employing 300 people.⁹⁶ But in May 2003 the company announced it would relocate some operations to Ashkelon in Israel. The company said it did this because the EU does not recognize exports from beyond the Green Line as Israeli, and seeks to levy full import taxes on them. The new factory in Ashkelon was opened in July 2003.⁹⁷ However, Soda-Club still operates the plant in Ma'aleh Adumim.⁹⁸



Figure 5. Soda-Club plant in Ma'aleh Adumim ⁹⁹

Soda-Club sells its products in the UK using the SodaStream brand.¹⁰⁰ SodaStream is distributed through:

Soda Club Worldwide Trading Company
Unit 3 The Manorgrove Centre
Vicarage Farm Road
Peterborough PE1 5UH
Tel: 084-5601-0093
Fax: 017-3329-6941
E-mail: info@sodastream.co.uk
Website: www.sodastream.co.uk

Gas cylinders, all natural concentrates and the range of drinksmakers are sold in Lakeland stores and various independent stores.¹⁰¹ Also retailer Argos sells SodaStream drinksmakers.¹⁰² A report in 2006 claimed Sainsbury's sold SodaStream products as well.¹⁰³ We could not find any more recent evidence for this.

Gas cylinders to use with the drinksmakers are sold by Tesco and Robert Dyas.¹⁰⁴

In a personal communication Soda-Club states that it has seven more facilities in Israel proper that also supply to the UK. Furthermore Soda-Club states it is committed to social responsibility and human rights and that Soda-Club employs both Israelis and Palestinians.¹⁰⁵

96 Soda Club Leases 13,000 SqM in Mishor Edomim for \$3.25 per SqM, Globes, Tel Aviv, 30 July 1996.

97 Soda Club exits territories under EU pressure, Ora Coren, Haaretz, Jerusalem, 4 May 2003; Website Soda-Club (www.sodaclub.com), Viewed in August 2008.

98 Coalition of Women for Peace, Tel Aviv, September 2008.

99 Picture taken by Coalition of Women for Peace, Tel Aviv, December 2007.

100 Website SodaStream (www.sodastream.co.uk), Viewed in August 2008.

101 Website SodaStream (www.sodastream.co.uk), Viewed in August 2008; Website Lakeland (www.lakeland.co.uk), Viewed in September 2008.

102 Website Argos (www.argos.co.uk), Viewed in September 2008.

103 Profiting from the Occupation, War on Want, London, July 2006.

104 Website SodaStream (www.sodastream.co.uk), Viewed in August 2008.

105 Letter from Daniel Birnbaum, CEO of Soda-Club Group, to SOAS, 18 December 2008.

Soda-Club:

- **Active in West Bank: certain**
- **Company link with UK: certain**
- **Settlement product(s) sold in UK: certain**

- **Tishbi Estate Winery**

Israel
Tel: +972-4-6380434/5
Fax: +972-4-6380223
E-mail: tishbi_w@netvision.net.il
Website: www.tishbi.com

Tishbi Estate Winery is a family-owned medium-sized winery in Zichron Yaakov. One of the company's vineyards is located in Gush Etzion, a block of settlements in the occupied West Bank. The wines are sold under the Jonathan Tishbi and Tishbi brand names.¹⁰⁶

Tishbi wine is distributed in the UK by:¹⁰⁷

Smithfield Wine
Tel: 016-1273-6070
Fax: 016-1273-6090
E-mail: info@smithfieldwine.com
Website: www.smithfieldwine.com

David Barry
London
Tel: 079-7960-4346
E-mail: TishbiLondon@hotmail.co.uk

Tishbi Estate Winery:

- **Active in West Bank: certain**
- **Company link with UK: certain**
- **Settlement product(s) sold in UK: uncertain**

3.5 Cosmetics

- **Ahava - Dead Sea Laboratories**

Mitzpe Shalem, Dead Sea, 86983
Israel
Tel: +972-2-9945117 / +972-2-9945123
Fax: +972-2-9945122
E-mail: gmail@ahava.co.il
Website: www.ahava.com

106 Website Tishbi Estate Winery (www.tishbi.com), Viewed in August 2008.

107 Website Tishbi Estate Winery (www.tishbi.com), Viewed in August 2008.

Ahava - Dead Sea Laboratories Ltd. was established in 1988 and produces personal care products, which are sold under the Ahava brand name.¹⁰⁸ The Ahava brand is sold in over 25 countries. In 2006, Ahava had a turnover of US\$ 23.4 million. The international market accounted for approximately 42% of Ahava's total products sales.¹⁰⁹ The company is owned by B. Gaon Holdings Ltd. and three Kibutzim. B. Gaon Holdings Ltd. is one of the largest holding companies in Israel, managed by Benjamin Gaon (former president of Koor Industries).¹¹⁰

In October 2007, Ahava announced its intention to sell shares on the AIM, part of the London Stock Exchange. It expected to raise US\$ 22 million. British investment bank Evolution Securities acted as nominated adviser and broker to Ahava.¹¹¹ However, Evolution Securities has indicated that the listing did not take place and that it no longer has any involvement or relationship with Ahava.¹¹²

Ahava - Dead Sea Laboratories has a plant and a visitor centre in the Mitzpe Shalem settlement in the West Bank.¹¹³

Ahava - Dead Sea Laboratories has a branch in the UK:

Ahava (U.K.) Ltd.
Bentham Manor, Bentham
Cheltenham, Gloucestershire
GL51 4TZ
United Kingdom
Tel: 014-5286-4574
Fax: 014-5286-2580
E-mail: office@ahava.co.uk
Website: www.ahava.co.uk

The following two beauty salons offer Ahava treatments:¹¹⁴

Taylor-made Beauty
Kingfisher Golf and Country Club
Buckingham Road
Nr. Deanshanger
Milton Keynes, Buckinghamshire
United Kingdom
Tel: 087-0743-6991

Ahava Shop and Beauty
39 Monmouth Street
Covent Garden
London

108 Website Ahava Dead Sea Laboratories (www.ahava.co.il), Viewed in August 2008

109 Intention to float on the London stock exchange - AIM, Ahava - Dead Sea Laboratories, Mitzpe Shalem, 1 October 2007.

110 Website Gaon Holdings (www.gaon.com), Viewed in August 2008.

111 Press release, 'Intention to float on the London stock exchange - AIM, Ahava - Dead Sea Laboratories', Mitzpe Shalem, 1 October 2007, available online at <http://www.investegate.co.uk/Article.aspx?id=200710010702487907E> (last accessed 10 February 2009)

112 Communication from TJ Worledge, Head of Corporate Finance, Evolution Securities, London, 5 December 2008.

113 Website Ahava (<http://www.ahava.com/?CategoryID=190&ArticleID=188>), Viewed in September 2008; Concern over Israel settlement exports, BBC, London, 5 November 2008.

114 Website Ahava UK (www.ahava.co.uk), Viewed in August 2008.

WC1H 9DD
United Kingdom
Tel: 020-7240-8815
E-mail: london@ahavastore.co.uk

In 2001, Selfridges became the first big British department store to withdraw from sale goods which are produced in the occupied territories of the West Bank and the Golan Heights. Ahava was mentioned among the products withdrawn.¹¹⁵

Retailer John Lewis still sells Ahava products:¹¹⁶

John Lewis
Oxford Street
London
W1A 1EX
United Kingdom
Tel: 020 7629 7711
Fax: 084-5604-9050
Website: www.johnlewis.com

Ahava - Dead Sea Laboratories:

- **Active in West Bank: certain**
- **Company link with UK: certain**
- **Settlement product(s) sold in UK: certain**

- **Intercosma Ltd.**

64 Hamada Street, Northern Industrial Zone
77520 Ashdod
Israel
Tel: +972-8-8636400
Fax: +972-8-8531654
Website: www.belmon.co.il

Intercosma is one of Israel's leading importers/exporters, distributors and producers of cosmetics and beauty care products.¹¹⁷ The company has a warehouse in the Atarot Industrial Zone in the occupied West Bank.¹¹⁸

Atarot Industrial Zone
Jerusalem 1323
Israel
Tel: +972-2-5833131
Fax: +972-2-5859324

115 Nicholas Watt, 'Selfridges bans sale of goods from occupied territories', *The Guardian*, London, 22 December 2001.

116 Website John Lewis (www.johnlewis.com), Viewed in August 2008; Dead Sea company to float on Aim, *The Guardian*, London, 1 October 2007.

117 Website Intercosma (www.intercosma.com), Viewed in August 2008.

118 Website Guardians of the Environment (www.efronim.org.il), Viewed in August 2008.

In a private message the UK distributor of Intercosma products stated that the company is closing down its warehouse in Atarot settlement, but this has not been independently verified.¹¹⁹

One of the main subsidiaries of Intercosma is Belmon-Nurit, which produces beauty care products under the brand names Mineral Care, Mineral Care SPA and Time Control. These beauty care products are produced with Dead Sea minerals.¹²⁰ The research was unable to verify whether Belmon-Nurit has a production facility near the Dead Sea in the occupied West Bank.

Mineral Care products are sold in the UK by:

Natural Lifeline Limited
Alpha House¹²¹
646c Kingsbury Road
Kingsbury, London
NW9 9HN
United Kingdom
Tel: 087-0112-3351
Fax: 087-0112-3352
Website: www.mineralcare.co.uk

Dolphin Fitness
United Kingdom
Tel: 087-1408-8690
Fax: 012-7320-8196
E-mail: mail@dolphinfitness.co.uk
Website: www.dolphinfitness.co.uk

Body and Beauty Shop
World Wide Shopping Mall
Chancery Lane, Malton, North Yorkshire
YO17 7HW
United Kingdom
Tel: 080-8144-0842
Website: www.worldwideshoppingmall.co.uk/body-beauty

Intercosma:

- **Active in West Bank: certain**
- **Company link with UK: certain**
- **Settlement product(s) sold in UK: uncertain**

3.6 Pharmaceuticals

- **Fermentek**

Yatziv 25
Atarot Industrial Zone

119 Communication from Jonathan Karmi, 1 December 2008.

120 Website Belmon-Nurit (www.belmon.co.il), Viewed in August 2008.

121 Website UK Data Limited (www.ukdata.com), Viewed in August 2008.

P.O.Box: 47120
Jerusalem, 97800
Israel
Tel: +972-2-5853953
Fax: +972-2-5853943
E-mail: fermentek@fermentek.com
Website: www.fermentek.co.il

Fermentek was founded in 1995 and manufactures bioactive compounds by the means of fermentation technology. Its products are intended for biological research, in the areas of molecular biology, applied medical research, and, in bulk amounts, for preclinical trials and for drug research.

The majority of Fermentek's produce is sold to major chemical trading companies who resell it under their own trade names. The remainder is sold directly to the end-users who apply to Fermentek via the Internet. Among these are university research institutes, drug research/development companies, and major pharmaceutical manufacturers.¹²²

Fermentek has 15 employees and a yearly turnover of about US\$ 1.5 million. Fermentek is active in several countries, including the United Kingdom.¹²³ No direct links with British companies have been found. However, Fermentek is mentioned as a supplier on several British Internet marketplaces, which suggests that the company is offering its products in the UK.¹²⁴

Fermentek:

- **Active in West Bank: certain**
- **Company link with UK: uncertain**
- **Settlement product(s) sold in UK: uncertain**

3.7 Plastic products

- **Keter Plastic**

2 Sapir Street
P.O.B. 12558
Industrial Area Herzliya 46766
Tel: +972-9-9591212
Fax: +972-9-9554990
E-mail: keter@keter.co.il
Website: www.keter.co.il

The Israeli company Keter Plastic is a large manufacturer of plastic indoor and garden furniture, shelving systems, tool boxes and storage products for the do-it-yourself market, household products and kitchen utensils, polyurethane insulated camping products, refuse containers, electronic bathroom and kitchen scales, bathroom accessories and toilet seats, juvenile products and a complete line of sanitary fittings.¹²⁵

122 Website Fermentek (www.fermentek.co.il), Viewed in August 2008.

123 Website BioPharmaLink (www.biopharmalink.com), Viewed in August 2008.

124 Website Engnet Engineering Network (www.engnet.co.uk), Viewed in August 2008; Website UK Shopping Listings (www.ukshoppinglistings.co.uk), Viewed in August 2008; Website Serious Bargains (fermentek.seriousbargains.co.uk), Viewed in August 2008.

125 Website Guardians of the Environment (www.efronim.org.il), Viewed in October 2005.

Keter Plastic is owned by the Israeli businessman Sami Sagol and his family. In 2007, sales by Keter Group, including related companies, surpassed US\$ 1.1 billion, 90% of which derived from overseas sales. Keter Plastic contributed US\$ 450 million to the Group's turnover. The Keter Group manufactures its products in Israel, Europe and the USA in 29 factories with 2,500 employees. The Keter Group and its subsidiaries operate sales offices and representatives in 90 countries, and Keter Israel operates its own chain of retail stores.¹²⁶

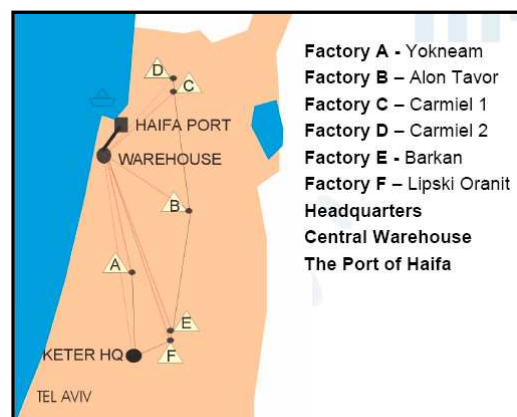


Figure 6. Location of Keter Plastic plants¹²⁷

Keter Plastic and its subsidiaries (one of which is named Lipski) operate six plants in Israel and the occupied territories, of which two are located in the occupied West Bank: the Keter Plastic plant in the Barkan Industrial Zone and the Lipski plant in Oranit.¹²⁸

Keter Plastic most probably is now the largest supplier of plastic products to the European market, after its acquisitions of Allibert (France) and Curver (Netherlands). Allibert runs six production facilities in France and Belgium producing bathroom accessories, household storage containers, custom thermoformed products and garden furniture. The company has annual sales of US\$ 130 million and was acquired in January 2004.¹²⁹

The Dutch subsidiary, Curver, produces plastic home and food storage, cleaning, closet organization, laundry, bathroom and refuse removal products. The company runs plants in Poland and Hungary and has annual sales of US\$ 140 million. Curver was acquired in June 2005, not by Keter Plastic itself but by the Dutch holding company Jardin International Holding. This holding company is owned by the Israeli Sagol family, which also owns Keter Plastic.¹³⁰

Keter Plastics' European subsidiaries are grouped in the European Plastic Group, which is based in Hoofddorp (Netherlands).¹³¹

Keter Plastics has a subsidiary in the UK which imports and distributes products from its parent in Israel:¹³²

Keter (UK) Ltd¹³³
 Unit 4 Woodgate Business Park
 Clapgate Lane
 Birmingham

126 Company profile Keter Plastic, Goliath, August 2008; Website Dun & Bradstreet Israel (duns100.dunb.co.il), Viewed in August 2008.

127 'Keter-Plastic's Logistics Department – Israel', Presentation by Micha Auerbach (President of Hi-G-Tek Ltd.), Or-Yehuda, January 2005.

128 'Keter-Plastic's Logistics Department – Israel', Presentation by Micha Auerbach (President of Hi-G-Tek Ltd.), Or-Yehuda, January 2005.

129 Michael Lauzon, 'Keter buys rival Allibert', *Plastics News*, 5 January 2004.

130 *Pactnieuws*, jaargang 4 nummer 9, Juni 2001; Michael Lauzon, 'Keter owners acquire Curver', *Plastics News*, 17 January 2005; 'Newell Rubbermaid Completes Sale of Curver', Press release Newell Rubbermaid, Atlanta, 1 June 2005.

131 Website Jardin (www.jardin.nl), Viewed in August 2008.

132 Keter (UK) Limited, Financial Statements, 31 December 2006, Keter (UK), London, 20 March 2008.

133 Website British Home Enhancement Trade Association (www.bhhma.com), Viewed in August 2008.

West Midlands B32 3DB
Tel: 012-1422-6633
Fax: 012-1422-0808
E-mail: steven.bood@btinternet.com

Keter Plastic products are sold in the UK by Ace, Argos, B&Q and Homebase.¹³⁴ It is not entirely clear from which Keter Plastic plants these products originate.

Keter Plastic:

- **Active in West Bank: certain**
- **Company link with UK: certain**
- **Settlement product(s) sold in UK: uncertain**

• **Tip Top Toys**

15 Mendes Street
Ramat Gan 52653
Israel
Tel: +972-3-9364121
Fax: +972-3-5352747
Website: www.interstar.co.il

Tip Top Toys Star (91) Ltd is an Israeli producer of high quality educational toys. The company was established in 1991 by Uri Barazani. Its main product line is the plastic Interstar construction system.¹³⁵

The factory of Tip Top Toys is located in the Barkan Industrial Zone in the occupied West Bank.¹³⁶

Interstar toys are sold in the UK by:

Magicfairywings.com
57 Ventnor Gardens, Luton
LU3 3SL
United Kingdom
E-mail: sales@magicfairywings.com
Website: www.magicfairywings.com

Bright Minds
WellsWay Works, Wells Road
Radstock, Bath
BA3 3RZ
United Kingdom
Tel: 087-0442-2124
Fax: 087-0026-6787
E-mail: info@brightminds.co.uk
Website: www.brightminds.co.uk

134 Website Ace (www.acehardware.com), Viewed in September 2008; Website Argos (www.argos.co.uk), Viewed in September 2008; Website B&Q (www.diy.com), Viewed in September 2008; Website Homebase (www.homebase.co.uk), Viewed in September 2008.

135 Website Tip Top Toys (www.interstar.co.il), Viewed in August 2008.

136 List of Products from Settlements in the Occupied Territories, Website Gush Shalom (www.gus-shalom.org), Viewed in August 2008.

Eduzone Ltd
29 Friern Barnet Road
London
N11 1NE
United Kingdom
Tel: 084-5644-5556
Fax: 084-5644-5557
E-mail: customerservice@eduzone.co.uk
Website: www.eduzone.co.uk

In direct correspondence, Eduzone indicated that it was completely unaware that any of the factories producing products from Tip Top Toys are located in settlements in the West Bank. Eduzone stated that it would seriously consider withdrawing these products from sale in order to exert pressure on the manufacturer to relocate their factory out of the occupied West Bank, and would welcome further dialogue in this regard.¹³⁷

eDirectory.co.uk
Fountain Street House
Fountain Street
Ulverston, Cumbria
LA12 7EQ
United Kingdom
E-mail: info@edirectory.co.uk
Website: www.edirectory.co.uk/map

Just Childsplay
Unit 17, Abbey Court
Wallingford Road
Leicester
LE4 5RD
United Kingdom
Tel: 087-0224-1424
Fax: 080-0652-4772
E-mail: enquiries@justchildsplay.co.uk
Website: www.justchildsplay.co.uk

Tip Top Toys:

- **Active in West Bank: certain**
- **Company link with UK: certain**
- **Settlement product(s) sold in UK: certain**

- **Twitoplast**

3 Gazit Street Segula Industrial Zone
Petach-Tikva 49279
Tel: +972-3-9345888
Fax: +972-3-9042729
E-mail: export@twitoplast.co.il
Website: www.twitoplast.co.il

137 Communication from Nigel Thorogood, Eduzone Ltd, to SOAS, December 2008.

Twitoplast is a privately owned company focusing on the development and manufacture of plastic accessories, primarily for the air conditioning market. Twitoplast is owned by the construction and investment company Villar International. Twitoplast has a production facility in the Barkan Industrial Zone in the occupied West Bank.¹³⁸

In the UK, Medal Aircon has secured UK marketing rights for the Twitoplast range of grilles, diffusers and ancillary air movement products.¹³⁹

Medal Aircon Distribution Ltd
Suite 5
LMH Business Park
Harlescott Lane, Shrewsbury, Shropshire
SY1 3AH
United Kingdom
Tel: 017-4346-6333
Fax: 017-4346-6334
E-mail: sales@medalaircon.co.uk
Website: medalaircon.co.uk

Twitoplast:

- **Active in West Bank: certain**
- **Company link with UK: certain**
- **Settlement product(s) sold in UK: uncertain**

3.8 Metal products

- **DiSTeK**

7 Sapir Street¹⁴⁰
P.O. Box 72
Barkan, Jerusalem 44820
Israel
Tel: +972-3-9067976 / 9366256
Fax: +972-3-9067976
E-mail: distek@netvision.net.il
Website: www.distekgroup.com

The company DiSTeK develops and manufactures zinc coating technologies for protection of metal parts. DiSTeK has overseas offices in Austria, Bulgaria, Russia, Scandinavia, South Africa, Turkey, the United Kingdom and the United States.¹⁴¹

DiSTeK's agent in the UK is:

Global Assets Limited
88A Tooley Street

138 Website Twitoplast (www.twitoplast.co.il), Viewed in August 2008; Website Who Profits (whoprofits.org), Viewed in August 2008.

139 Twitoplast is Medal winner, ACR-news, South Croyden, 16 July 2007.

140 Website Israeli Industry Center for R&D (www2.matimop.org.il), Viewed in August 2008.

141 Website DiSTeK (www.distekgroup.com), Viewed in August 2008; Website Israeli Industry Center for R&D (www2.matimop.org.il), Viewed in August 2008.

London, SE1 2TF
United Kingdom
Tel: 079-0048-8212

The following British company is among DiSTeK's list of worldwide applicators:

Bodycote Metallurgical Coatings Ltd
Shakespeare Street
Wolverhampton
WV1 3LR
United Kingdom
Tel: 019-0245-2915
Fax: 019-0235-2917
E-mail: ray.blakemore@bodycote.com
Website: <http://mc.bodycote.com>

DiSTeK:

- **Active in West Bank: certain**
- **Company link with UK: certain**
- **Settlement product(s) sold in UK: certain**

- **Mul-T-Lock**

P.O. Box 637
81104 Yavne
Israel
Tel: +972-8-942-4600
Fax: +972-8-942-4609
E-mail: hanita_b@mul-t-lock.com
Website: www.mul-t-lock.com

Mul-T-Lock Ltd. is an Israeli producer of high-security cylinders, locks and padlocks for institutional, commercial, industrial and residential applications. The company also develops, manufactures and supplies a wide range of key cutting (bitting) machines. The company's main factory is located in the Barkan industrial zone in the occupied West Bank. In June 2008, 120 people were employed at the Barkan factory. Mul-T-Lock has various subsidiaries in the United States and Europe, including one in the United Kingdom. Mul-T-Lock employs over 690 people, of whom about 360 in Israel. Since 2000, Mul-T-Lock has been owned by the Swedish company Assa Abloy, which is the world's leading manufacturer and supplier of locking solutions.¹⁴² Following a report by Swedish organisations, Assa Abloy in October 2008 announced it would move the Mul-T-Lock plant out of the settlements. "Assa Abloy can only in this context regret that the inappropriateness has not been noted internally, during the eight years of ownership, of having a production unit on the West Bank," the company said in a statement.¹⁴³

Mul-T-Lock has an office in the UK:¹⁴⁴

142 Website Mul-T-Lock (www.mul-t-lock.com), Viewed in August and October 2008; Website Assa Abloy (www.assaabloy.com), Viewed in August 2008; Illegal Ground - Assa Abloy's business in occupied Palestinian territory, Diakonia / Church of Sweden / SwedWatch, Stockholm, October 2008.

143 Lock maker Assa Abloy to move West Bank plant, Associated Press, Stockholm, 21 October 2008.

144 Website Mul-T-Lock (www.mul-t-lock.com), Viewed in August 2008.

Mul-T-Lock (UK) Ltd.
Welland House
North Folds Road
Corby, Northamptonshire
United Kingdom
Tel: 015-3646-1111
Fax: 015-3646-0189
Website: www.mul-t-lock.co.uk
E-mail: enquiries@mul-t-lock.co.uk

Mul-T-Lock products are sold in the UK by:¹⁴⁵

AFS (Security) Ltd
582 - 584 Barking Road
Plaistow, London
United Kingdom
Contact name: Will Bosworth
Tel: 020-8471-9000
Fax: 020-8475-0877
E-mail: enquiries@afs-securitysystems.com
Website: www.afs-securitysystems.com

C & J Supplies Ltd
Avalon House
Pointon, Sleaford, Lincolnshire
United Kingdom
Tel: 015-2924-0774
Fax: 015-2924-1027
E-mail: cjsupplies@avnet.co.uk
Website: www.cjsupplies.co.uk

UK Bump Keys Ltd
117 Dartford Road
Dartford
United Kingdom
Tel: 013-2240-2464
E-mail: enquiries@ukbumpkeys.com
Website: www.ukbumpkeys.com

Lockcentre.com
8 Exchange Buildings
St Albans Road
Barnet, Hertfordshire
EN5 4PD
United Kingdom
Tel: 020-8440-3218
Fax: 020-8441-8340
E-mail: enquiries@lockcentre.com
Website: www.lockcentre.com

London Security Systems
55 Lyndon Grove

¹⁴⁵ Websites of the listed companies, Viewed in August 2008.

East Boldon, Tyne & Wear
United Kingdom
Tel: 019-1519-6502
E-mail: info@lyndonsecurity.co.uk
Website: www.lyndonsecurity.co.uk

MLS Security Systems
3 Manchester Road,
Docklands, London
E14 3BD
United Kingdom
Tel: 020-7515-2121
Fax: 020-7537-4938
E-mail: sales@market-lock.co.uk
Website: www.market-lock.co.uk

Securebase Ltd
112 High Road
East Finchley
London
N2 9EB
United Kingdom
Tel: 020-8442-0660
Fax: 020-8365-2788
E-mail: sales@securebase.co.uk
Website: www.securebase.co.uk

uPVCSecurity.co.uk
E-mail: enquiries@upvcsecurity.co.uk
Website: <http://upvcsecurity.co.uk>

Mul-T-Lock:

- **Active in West Bank: certain, but Assa Abloy is planning to move the Mul-T-Lock plant out of the settlements**
- **Company link with UK: certain**
- **Settlement product(s) sold in UK: certain**

• **Yardeni Locks**

Tel Aviv Yafo, 69353 ¹⁴⁶
7 Dissentchik Street
Israel
Tel: +972-3-9368050
Fax: +972-3-9308095
E-mail: yardeni@yardenilocks.co.il

146 Website Israel Export and International Cooperation Institute (www.export.gov.il), Viewed in August 2008.

Yardeni Locks Ltd. is a manufacturer of high quality locks and locking cylinder mechanisms. The company produces a wide range of locks for practically all requirements of OEM, contractors, locksmiths, and DIY stores. It has 120 employees and annual sales between US\$ 2.5 and 5 million. Yardeni exports about 70% of its products.¹⁴⁷

Yardeni Locks has a factory in the Barkan Industrial Zone in the West Bank.¹⁴⁸

2 Inbar Barkan
P.O. Box 24
Petah Tikva
Israel
Tel: +972-3-9367501

On the website of the Israel Export and International Cooperation Institute, Yardeni Locks claims it exports to the United Kingdom.¹⁴⁹

Yardeni Locks:

- **Active in West Bank: certain**
- **Company link with UK: uncertain**
- **Settlement product(s) sold in UK: certain**

3.9 Textile products

- **Carmel Carpets / Caesarea Carpets**

2 Ezzel Street, N.I.Z.
Rishon Le-Zion, 75105
Israel
Tel: +972-3-908-1900
Fax: +972-3-936-8078
E-mail: export@carmelcarpets.co.il
Website: www.carmelcarpets.co.il

Caesarea Carpets manufactures and sells carpets. The company's offices are located in the industrial zone of the Barkan settlement, and its factories are in the industrial zones of the Barkan and Shaked settlements in the West Bank. Caesarea Carpets is a subsidiary of Carmel Carpets.

Apart from selling to consumers, the company also specialises in consulting, producing and supplying carpets for hotels and office buildings. Among its clients are international hotel chains including Sheraton, Holiday Inn, Intercontinental and Meridian.¹⁵⁰

147 Website Israel Export and International Cooperation Institute (www.export.gov.il), Viewed in August 2008; Website Alibaba (www.alibaba.com), Viewed in August 2008.

148 Communication from Coalition of Women for Peace, Tel Aviv, September 2008; Website Dun & Bradstreet Israel (duns100.dundb.co.il), Viewed in August 2008.

149 Website Israel Export and International Cooperation Institute (www.export.gov.il), Viewed in August 2008.

150 Kompass Company Directory (www.kompass.com), Viewed in August 2008; Website Who Profits (whoprofits.org), Viewed in August 2008.

The Israel Export and International Cooperation Institute (IEICE) reports that Carmel Carpets has a high success rate in repeat export orders from various countries including the United Kingdom. We could not find any more detailed information about exports to the United Kingdom.¹⁵¹

Carmel Carpets/Caesarea Carpets:

- **Active in West Bank: certain**
- **Company link with UK: uncertain**
- **Settlement product(s) sold in UK: uncertain**

- **Dispobud**

Haalmog Street
P.O. Box 93
Barkan Industrial Park 44820
Israel
Tel: +972-3-9067733
Fax: +972-3-9368933
E-mail: info@dispobud.co.il
Website: dispobud.co.il

Dispobud is a company which manufactures and distributes a wide variety of nonwoven products, from disposable table covers, disposable clothing and promotional products.¹⁵²

Dispobud exports to the UK under private brand names since Dispobud is a member of the international Private Label Manufacturers Association (PLMA) and is listed on the Private Label UK directory, which lists suppliers and manufacturers of private label products and services. Only disposable table covers are mentioned.¹⁵³

Dispobud:

- **Active in West Bank: certain**
- **Company link with UK: uncertain**
- **Settlement product(s) sold in UK: certain**

- **Ofertex Industries**

P.O. Box 30
Industrial Zone Barkan 44820
Israel
Tel: +972-3-9366567
Fax: +972-3-9068296
E-mail: info@ofertex.com
Website: www.ofertex.com

Ofertex Industries (1997) Ltd. manufactures cloths by non-woven stitch bonding (zigzag) technology. The plant, located in the Barkan Industrial Zone in the occupied West Bank, recycles textile waste into various consumer goods, with floor cloths, bathmats and variety

151 Website Israel Export and International Cooperation Institute (www.export.gov.il), Viewed in August 2008.

152 Website Dispobud (dispobud.co.il), Viewed in August 2008.

153 Private Label UK Magazine – Issue 04, The Planet Group, Birkby, June 2008.

of innovative cleaning cloths being the company's main products. The products are packaged and supplied to distributors and large marketing chains in various countries around the world, including the UK. Its products are sold under the brand names of large retailers, as Ofertex is a member of the international Private Label Manufacturers Association (PLMA) and is listed on the Private Label UK directory, which lists suppliers and manufacturers of private label products and services.¹⁵⁴

Ofertex has a branch for Ireland and the UK:¹⁵⁵

Ofertex Industries (IRL) Ltd
Unit 17 Tallaght Enterprise Centre
IDA Industrial Estate
Whitestown Road, Dublin 24
Republic of Ireland
Tel: +35-3-1524-2417
Fax: +35-3-1443-0519
E-mail: peter@ofertex.com

Ofertex Industries:

- **Active in West Bank: certain**
- **Company link with UK: certain**
- **Settlement product(s) sold in UK: certain**

3.10 Other industries

- **Greenkote**

Greenkote (Israel) Ltd¹⁵⁶
Ha'odem 4
P.O. Box 87
Barkan Industrial Zone
Israel
Tel: +972-3-9368210
Fax: +972-57-7943672
E-mail: info@greenkote.com
Website: www.greenkote.com

Greenkote, formerly Summet Hi-Tech Coatings Ltd, was established in 1999 in Israel as part of the OCS Incubators Program with the goal of developing first-quality, cost-effective environmentally-friendly coatings. Greenkote develops, produces and distributes advanced metal, alloy and plastics coatings. Greenkote has a R&D centre in the Barkan Industrial Zone settlement. In this centre the Greenkote processes were developed and continue to be refined.¹⁵⁷

154 Website Ofertex (www.ofertex.com), Viewed in August 2008; Private Label UK Magazine – Issue 04, The Planet Group, Birkby, June 2008.

155 Website Ofertex (www.ofertex.com), Viewed in August 2008.

156 Website Who Profits (whoprofits.org), Viewed in August 2008.

157 Website Who Profits (whoprofits.org), Viewed in August 2008; Website Greenkote (www.greenkote.com), Viewed in August 2008.

Customers include Motorola, GM and VW-supplier MAG, the Israeli Defense Forces and TCB, a leading supplier of tension control bolts in the UK. Through its relationship with TCB, Greenkote has also received the accreditation of several major British heavy construction projects including the Oval cricket ground and Heathrow Airport Terminal 5.¹⁵⁸

Tension Control Bolts Limited (TCB)
Whitchurch Business Park, Shakespeare Way
Whitchurch, Shropshire
SY13 1LJ
United Kingdom
Tel: 019-4866-7700
Fax: 019-4866-7744
E-mail: info@tcbolts.co.uk
Website: www.tcbolts.co.uk

In a direct correspondence, TCB indicated that TCB and Greenkote are not related to each other in a financial sense. The relationship arose out of an approach that Greenkote made to TCB in 2000 with an offer to provide TCB with the rights to use its patented plating process/procedure and that in exchange TCB would showcase that process to its potential/future customers by allowing them to visit the plant in the UK.

TCB subsequently received grants from the Britech fund, which supported collaborative partnerships between British and Israeli high-technology companies, to set up a plant in the UK using the process developed by Greenkote.¹⁵⁹

Greenkote:

- **Active in West Bank: certain**
- **Company link with UK: certain**
- **Settlement product(s) sold in UK: certain**

3.11 UK retailers

In this paragraph we present a summary of the information found regarding major British retailers, as described in the previous paragraphs in this chapter:

- **Ace** has been linked to the following settlement company/products:
 - Keter Plastic: Ace lists Keter Plastic's products on its website.¹⁶⁰
- **Argos** has been linked to the following settlement companies/products:
 - Keter Plastic: Argos lists Keter Plastic's products on its website.¹⁶¹
 - Soda-Club: Argos lists the SodaStream drinksmaker on its website.¹⁶²

158 Website Greenkote (www.greenkote.com), Viewed in August 2008.

159 Communication from Ray Stokes, Tension Control Bolts, to SOAS, December 2008.

160 Website Ace (www.acehardware.com), Viewed in September 2008.

161 Website Argos (www.argos.co.uk), Viewed in September 2008.

162 Website Argos (www.argos.co.uk), Viewed in September 2008.

- **B&Q** has been linked to the following settlement company/products:
 - Keter Plastic: B&Q lists Keter Plastic's products on its website.¹⁶³
- **Homebase** has been linked to the following settlement company/products:
 - Keter Plastic: Homebase lists Keter Plastic's products on its website.¹⁶⁴
- **John Lewis** (including its supermarket division Waitrose) has been linked to the following settlement companies/products:
 - Ahava - Dead Sea Laboratories: John Lewis lists Ahava products on its website.¹⁶⁵
 - Beigel & Beigel: According to an NGO report, Beigel & Beigel products in the UK are sold by Waitrose (see paragraph 4.1).¹⁶⁶
 - Hadiklaim: Hadiklaim products are sold under private brand names by Waitrose.¹⁶⁷
- **Marks & Spencer** has been linked to the following settlement company/products:
 - Hadiklaim: Marks & Spencer admits that their UK suppliers buy dates from Hadiklaim on their behalf. However, the contract explicitly prohibits purchase from Palestinian Territories and Hadiklaim should source the dates from elsewhere within Israel.¹⁶⁸
- **Robert Dyas** has been linked to the following settlement company/products:
 - Soda-Club: gas cylinders to be used with the drinksmakers of Soda-Club are sold by Robert Dyas.¹⁶⁹
- **Sainsbury's** has been linked to the following settlement companies/products:
 - Hadiklaim: Hadiklaim products are sold under private brand names by Sainsbury's.¹⁷⁰
 - Soda-Club: a report in 2006 claimed Sainsbury's sold SodaStream products as well.¹⁷¹ We could not find any more recent evidence for this.
- **Tesco** has been linked to the following settlement companies/products:
 - Arava Export Growers: on its website, Arava states it complies with the Tesco Natures Choice standard, although it is not clear if Arava is actually supplying to Tesco.¹⁷²
 - Beigel & Beigel: According to an NGO report, Beigel & Beigel products in the UK are sold by Tesco (see paragraph 4.1).¹⁷³

163 Website B&Q (www.diy.com), Viewed in September 2008.

164 Website Homebase (www.homebase.co.uk), Viewed in September 2008.

165 Website John Lewis (www.johnlewis.com), Viewed in August 2008.

166 Profiting from the Occupation, War on Want, London, July 2006.

167 Website Innovative Minds (www.inminds.co.uk/boycott-israeli-dates.php), Viewed in August 2008.

168 Communication from David Gregory, Technical Director Food Division, Marks & Spencer, London, 19 December 2008.

169 Website SodaStream (www.sodastream.co.uk), Viewed in August 2008.

170 Website Innovative Minds (www.inminds.co.uk/boycott-israeli-dates.php), Viewed in August 2008.

171 Profiting from the Occupation, War on Want, London, July 2006.

172 Website Arava (www.arv.co.il), Viewed in August 2008.

173 Profiting from the Occupation, War on Want, London, July 2006.

- Hadiklaim: Hadiklaim products are sold under private brand names by Tesco.¹⁷⁴
- Mehadrin-Tnuport Export Company (MTex): Tesco supports MTex's campaign to promote the Jaffa brand for citrus in the United Kingdom.¹⁷⁵
- Soda-Club: gas cylinders to use with the drinksmakers of Soda-Club are sold by Tesco.¹⁷⁶

3.12 Summary

A total of 27 Israeli settlement companies exporting to the United Kingdom were identified (see Table 3). For 25 of these companies a total of 51 British trading partners were found: 12 British marketing subsidiaries of the Israeli companies concerned and 39 British importers and retailers.

Table 3 Exports from Israeli settlements in occupied territories to the UK

Exporter	Products	British subsidiary	British importer / retailer
Abadi Bakery	Salted bagel cookies		Just Kosher
Achdut	Sesame products		Kelmans' Kosher Foods, Just Kosher, Adafina
Adanim Tea	Herbal teas		Just Kosher
Adumim Food Additives / Frutarom	Food additives	Frutarom (UK) Ltd, Belmay Fragrances, Jupiter Flavours	
Agrexco	Fruit & vegetables	Agrexco Agricultural Export	Probably to most supermarkets
Ahava - Dead Sea Laboratories	Beauty care products	Ahava (U.K.) Ltd, Ahava Shop and Beauty	Taylormade Beauty, John Lewis
Amnon & Tamar	Herbal seasonings		Yarden GB Limited, Just Kosher
Arava	Fruit & vegetables	Arava UK	Tesco
Carmel Carpets / Caesarea Carpets	Carpets		
DiSTek	Zinc coating technologies		Global Assets Limited, Bodycote Metallurgical Coatings
Dispobud	Textile		Exports under private brand names
Fermentek	Pharmaceuticals		
Flowers Direct/Agriver	Flowers (also fruit and vegetables)	Office in London, possibly Flowers Direct Online	

174 Website Innovative Minds (www.inminds.co.uk/boycott-israeli-dates.php), Viewed in August 2008.

175 Lody van Berkel, 'MTex announces support for the Jaffa brand in the UK', *FreshPlaza*, Tholen, 3 March 2008; 'Tesco set to promote Jaffa brand', *Talking Retail*, Swanley, 22 January 2008.

176 Website SodaStream (www.sodastream.co.uk), Viewed in August 2008.

Exporter	Products	British subsidiary	British importer / retailer
Greenkote	Coatings		Tension Control Bolts Limited (TCB)
Hadiklaim	Dates		Marks & Spencer, Sainsbury's, Tesco and Waitrose
Intercosma	Beauty care products		Natural Lifeline Limited, Dolphin Fitness, Body and Beauty Shop
Keter Plastic	Plastic products	Keter (UK) Ltd	Ace, Argos, B&Q and Homebase
Mehadrin-Tnuport	Fruit & vegetables	MTex UK	Tesco
Mul-T-Lock	Locks	Mul-T-Lock (UK) Ltd	AFS (Security), C & J Supplies, UK Bump Keys, Lockcentre.com, London Security Systems, MLS Security Systems, Securebase, uPVCSecurity.co.uk
Ofertex Industries	Cloths		Exports under private brand names
Oppenheimer	Confectionery		Just Kosher
Shamir Salads	Ready-made salads		Just Kosher
Soda-Club	Carbonating devices	Soda Club Worldwide Trading Company	Tesco, Lakeland, Argos, Sainsbury's, Robert Dyas
Tip Top Toys	Toys		Magicfairywings.com, Bright Minds, Eduzone Ltd, eDirectory.co.uk, Just Childsplay
Tishbi Estate Winery	Wine		Smithfield Wine, David Barry
Twitoplast	Plastic accessories		Medal Aircon Distribution Ltd
Yardeni Locks	Locks		

Chapter 4 Other British business links with Israeli settlements

4.1 UK companies with subsidiaries in Israeli settlements

- **Hanson UK**

Hanson House
14 Castle Hill
Maidenhead
Berkshire SL6 4JJ
United Kingdom
Tel: 016-2877-4100

Hanson is the UK's leading supplier of heavy building materials to the construction industry. Hanson was acquired by German company HeidelbergCement in September 2007. Hanson's UK aggregates, concrete and building products businesses have now been integrated with HeidelbergCement's UK arm, Castle Cement, to create the country's leading producer of heavy construction materials. HeidelbergCement is the global leader in aggregates and has leading positions in cement, concrete and heavy building products. Hanson's UK business is split into four business lines - aggregates and asphalt, concrete, building products and cement - which together operate over 350 manufacturing sites and employ more than 6,500 people.¹⁷⁷



Figure 7. Plants of Hanson Israel (circles are concrete plants, triangles are quarries and the cylinders are asphalt plants)

Hanson's subsidiary in Israel, Hanson Israel, owns 26 ready-mixed concrete plants, 3 aggregates quarries and 2 asphalt plants.¹⁷⁸ According to the Coalition of Women for Peace four of these plants are located in Israeli settlements in the West Bank. One of them is a stone quarry, which is responsible for taking Palestinian natural resources to be used inside Israel.¹⁷⁹

The picture above was taken from the website of Hanson Israel. Although the boundaries of the West Bank are not indicated, the map shows that several Hanson sites are located in the West Bank. The website also mentions the presence of a factory in Atarot, which is in the West Bank.¹⁸⁰

Hanson UK:

- **Active in West Bank: certain**

177 Website Hanson UK (www.heidelbergcement.com/uk/en/hanson/), Viewed in January 2009.

178 Website Hanson UK (www.heidelbergcement.com/uk/en/hanson/), Viewed in January 2009.

179 Communication from Dalit Baum, Project Coordinator, "Who Profits from the Occupation?", The Coalition of Women for Peace, Tel Aviv, November 2008.

180 Website Hanson Israel (www.hanson-israel.com/), Viewed in January 2009.

- **British Israel Investments**

4 Harechev street
Tel Aviv 67771
Tel: +972-3-6897999
Fax: +972-3-6897989
Website: www.british-israel.co.il

British Israel Investments Ltd., a leading property company in Israel in the field of shopping malls and commercial centres. It owns 15 malls across Israel, and one mall in Maaleh Adumim in the occupied West Bank.¹⁸¹

Kenyon Adumim
Kedem Road
Maaleh Adumim
Israel
Tel: +972-2-5908000
Fax: +972-2-5908010

Although the company is listed on the Tel Aviv stock exchange, the company is controlled by REIT Asset Management (Israel). This company was part of the REIT Group, headed by the British company REIT Asset Management. Until recently, this company was owned by the British businessmen Leo Noé (75%) and Ivor Smith (25%).¹⁸²

In July 2008 the British asset manager F&C Investments announced that it would acquire 70% of the shares of REIT Asset Management from Noé and Smith for £ 60 million. The property business of F&C Investments and REIT Asset Management are now merged into F&C REIT Asset Management. This company is managing property with a total value of £ 8.5 billion around the world.¹⁸³ In a communication F&C REIT Asset Management in December 2008 stated that British Israel Investments was excluded from the merger between F&C Property Investments and REIT Asset Management.¹⁸⁴

However, in February 2009 British Israel Investments still claimed on its website that it is part of the REIT Group, controlled by Leo Noé. We have been unable to verify whether the Israeli subsidiaries of the former REIT Group are now owned directly by Leo Noé and Ivor Smith, who is a director of British Israel Investments.¹⁸⁵

British Israel Investments :

- | |
|---|
| <ul style="list-style-type: none">• Active in West Bank: certain |
|---|

- **Unilever**

Unilever UK Foods
Head Office

181 Website British Israel Investments (www.british-israel.co.il), Viewed in August 2008.

182 Website REIT Asset Management (www.reit.co.uk), Viewed in August 2008.

183 F&C and Noé form 8.5bn Manager, Press release REIT Asset Management, London, 26 July 2008.

184 Letter from K.D. McGrath, F&C REIT Asset Management, to SOAS, 2 December 2008.

185 Website British Israel Investments (www.british-israel.co.il), Viewed in February 2009.

Brooke House
Manor Royal
Crawley, West Sussex
RH10 9RQ
United Kingdom
Tel: 012-9364-8000
Website: www.unilever.co.uk

The Anglo-Dutch company Unilever, one of the largest food, personal care and detergents producers in the world, has been active in Israel again since 1995. In that year Unilever bought a 50% stake in the ice cream business of Strauss, one of Israel's two leading dairies. Later, this stake was raised to 51%.

In 1996 Unilever acquired the household and personal care division of the Israeli company Vitco. And in 2001 Unilever became, by taking over the American company Bestfoods, the owner of a 59% share in the food division of Vitco. The other 41% is owned by the South African company Remgro. In October 2007 Unilever raised its share to 74.25% in the South African business and to 100% in the Israel business.¹⁸⁶

Unilever Israel, a full subsidiary of Unilever, is now Israel's fourth largest manufacturer of food and cleaning products. Annual sales amount to around NIS 1.8 billion (€ 330 million). Its headquarters is located in Tel Aviv and the company has 2,500 employees in various subsidiaries spread over Israel.¹⁸⁷

Through the take-over of Bestfoods in 2001, Unilever acquired a 51% stake in Beigel & Beigel Ltd, located in the Barkan industrial zone in the occupied West Bank. The other 49% is owned by the Israeli Beigel family. Beigel & Beigel has 120 employees and produces pretzels, savoury biscuits and crackers.¹⁸⁸



In November 2008, Unilever announced that it will sell its 51% stake in the Beigel & Beigel factory. According to Unilever, the decision to sell was based on strategic reasons and not on political motives.¹⁸⁹

According to a report by a UK NGO, Beigel & Beigel products in the UK are sold by large retailers Tesco and Waitrose.¹⁹⁰ Smaller retailers offering B&B products are:

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- 186 E-mail from Kees van der Waaij (Chairman Unilever Nederland Holdings B.V.) to United Civilians for Peace, Rotterdam, 4 October 2006; Annual report 2007, Unilever, London, March 2008.
- 187 Vered Sharon-Rivlin, 'Unilever Israel to fire 130', *Globes*, Tel Aviv, 23 December 2004; Hadas Manor, 'Unilever Israel to invest NIS 12m in Haifa plant', *Globes*, Tel Aviv, 20 October 2005; E-mail Kees van der Waaij (Chairman Unilever Nederland Holdings B.V.) to United Civilians for Peace, Rotterdam, 4 October 2006.
- 188 E-mail Kees van der Waaij (Chairman Unilever Nederland Holdings B.V.) to United Civilians for Peace, Rotterdam, 4 October 2006.
- 189 Unilever to sell stake in plant based in West Bank settlement, *The Guardian*, London, 1 December 2008; Website United Civilians for Peace (www.unitedcivilians.nl), Viewed in January 2009.
- 190 *Profiting from the Occupation, War on Want*, London, July 2006.

J.A.Hyman (Titanics) Ltd
123-129 Waterloo Road
Cheetham
Manchester
M8 8BT
United Kingdom
Tel: 016-1792-1888
Fax: 016-1792-7670
E-mail: info@titanics.co.uk
Website: www.titanics.co.uk

Adafina
67 Abbey Road
London
NW8 0AE
United Kingdom
Tel: 020-7624-2013
E-mail: info@adafina.co.uk
Website: www.adafina.co.uk

Golden Ryd Dyl, an Israeli paper and cleaning products importer and distributor, is a supplier to Lipton, one of Unilever's brands for beverages. Golden Ryd Dyl is located in Mishor Edomim Industrial Zone, which is a settlement in the occupied West Bank.¹⁹¹

Golden Ryd Dyl
56 Haruvit Street
Mishor Edomim I.Z. 98510
POB 9030
Jerusalem 91096
Israel
Tel: +972-2-5356060
Website: www.grd.co.il

Unilever:

- **Active in West Bank: certain, but Unilever is planning to sell its stake**

4.2 UK companies exporting to Israeli settlements

- **Record Power Ltd**

Unit B
Adelphi Way
Ireland Industrial Estate
Staveley, Chesterfield
S43 3LS
United Kingdom
Tel: 087-0770-1777
Fax: 087-0770-1888

191 Website Who Profits (whoprofits.org), Viewed in August 2008; Website Golden Ryd Dyl (www.grd.co.il), Viewed in August 2008.

Website: www.recordpower.co.uk

Record Power Ltd designs and manufactures fine woodworking machinery and tools. Record Power's products are imported from the United Kingdom to Israel by Israeli company D.N.M. Technical Equipment and Tools, which has a branch located in the Barkan Industrial Zone, in the West Bank.¹⁹²

D.N.M. Technical Equipment and Tools
Haifa branch (main office)¹⁹³
33 Jaffa Street
P.O. Box 681
Haifa 31006
Israel
Tel: +972-4-8523528
E-mail: dnm@bezeqint.net.il
Website: www.dnm.co.il

D.N.M. Technical Equipment and Tools is an importer and marketer of heavy technical equipment and tools for industrial and personal use. One of its two branches is located in the Barkan Industrial Zone, in the West Bank. Company clients include the Israeli Ministry of Defence.¹⁹⁴

D.N.M. claims on its website to import and market tools of AEG (Germany), the Stanley Works (United States), Bosch (Germany), Metabo Power Tools (United Kingdom), Record Power (United Kingdom), Ridgid (United States), Vise-Grip (IRWIN Industrial Tools, United States), Rohm (Japan), Cal-Van Tools (United States), Bahco (Sweden).¹⁹⁵

Metabo, another British company mentioned on D.N.M.'s website, stated in an email to SOAS that D.N.M. is not a direct customer of theirs and that they do not know where D.N.M. sources their products from.¹⁹⁶ Record Power did not respond to an inquiry made in relation to this report.

Record Power Ltd:

- **Export to West Bank: certain**

4.3 UK financial institutions

4.3.1 Debt financing by the Israeli government

The Israeli government uses four main instruments of external debt financing:¹⁹⁷

- State of Israel bonds through four independent Israel Bonds Organizations
- Public offerings of normal government bonds (*unguaranteed sovereign issues*)
- Public offerings under US government guarantees

192 Website Record Power (www.recordpower.co.uk), Viewed in August 2008; Website DNM (www.dnm.co.il), Viewed in August 2008.

193 Website Who Profits (whoprofits.org), Viewed in August 2008.

194 Website Who Profits (whoprofits.org), Viewed in August 2008.

195 Website DNM (www.dnm.co.il), Viewed in August 2008.

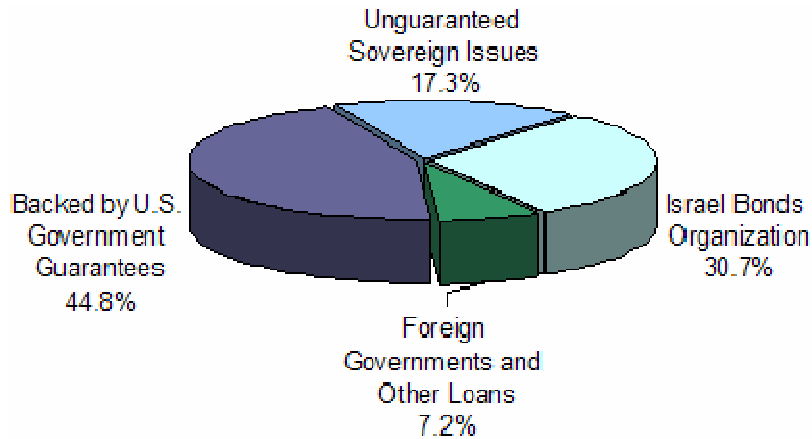
196 Email from Mark Bailey, Financial Controller/Company Secretary of Metabo (UK) Ltd, to SOAS, 3 December 2008.

197 Website Israeli Ministry of Finance (www.mof.gov.il), Viewed in August 2008.

- Loans from banks and foreign governments

At the end of 2006, the foreign currency debt of the Israeli Government was about US\$ 32.4 billion, equal to 25% of the total government debt. The distribution over different debt instruments is shown in Figure 8.

Figure 8. Israeli foreign debt by instrument (end 2006)



The information found on British involvement in these different financing instruments is presented below:

- **State of Israel bonds through four independent organizations**

State of Israel bonds have been sold since 1951 for two reasons: to obtain millions of dollars in funding for immigrant absorption and the construction of national infrastructure and to engage diaspora Jewry in the building and development of the Jewish State. To date, more than US\$ 25 billion has been invested in State of Israel bonds by investors abroad.¹⁹⁸

State of Israel bonds are sold by the government mainly to private investors in North America, South America, and Europe through four independent organizations that operate under local laws and are supervised by local authorities:

- Development Corporation for Israel (US) United States
- Canada Israel Securities Canada
- Development Company for Israel (UK) United Kingdom
- Israel Bonds International All countries other than the US, Canada and the UK.

Investors are mainly private investors, but also include corporations, labour unions, insurance companies, associations, pension funds, foundations, universities, and other institutions. State of Israel Bonds are non-tradable and non-transferable.¹⁹⁹

198 Website Government of Israel - Economic Mission to North America (www.israeleconomicmission.com), Viewed in September 2008.

199 Website Israeli Ministry of Finance (www.mof.gov.il), Viewed in August 2008.

According to the websites of the four organizations selling State of Israel Bonds, the proceeds are used to fund major infrastructure projects, mostly in Israel proper. However one of the projects mentioned is the Jerusalem light rail system connecting Jerusalem to Israeli settlements in and around occupied East Jerusalem and in the West Bank. The Jerusalem light rail system is under construction by CityPass, a consortium including French companies Alstom (20%) and Veolia (5%) and Israeli companies Ashtrom (27.5%), Harel Insurance Investments (30%) and Polar Investments (17.5%). The consortium won the £ 250 million contract in 2002. The light rail system will be 13.8 kilometres long and will run from Mount Herzl to Pisgat Ze'ev via Jaffa Road. As of October 2008, the construction of the Jerusalem Light Rail is over budget and behind schedule, with operations not expected to start until 2010. Bank Hapoalim and Bank Leumi are lenders to CityPass.^{200 201}

Furthermore, investors in State of Israel Bonds have no legal guarantee that their money is used only to fund infrastructure projects in Israel. The prospectus of the latest State of Israel Bonds, the *Jubilee Fixed Rate Bonds (Fifth Series)*, sold since January 2007, states that: "Israel will use the net proceeds from the sale of the bonds offered hereby for general purposes of the State."²⁰² The same statement is found in other prospectuses of the State of Israel Bonds. This means that the Israeli government has no legal obligation to spend the proceeds on infrastructure but rather can use them for any expenditure by the Israeli government, including military and other spending related to the occupation and the settlements.

The Development Company for Israel (UK) sells State of Israel bonds to investors in the United Kingdom. Sales of State of Israel Bonds in the UK have increased tenfold in the last few years, reaching a record US\$ 100 million in 2004. Currently only in the United States and Canada are more State of Israel Bonds sold.²⁰³

HSBC Genève, part of the British banking group HSBC, is mentioned on the list of authorized institutional lenders of the State of Israel Bonds.²⁰⁴

Development Company for Israel (UK) Ltd
79 Wimpole Street
London
W1G 9RY
United Kingdom
Tel: 020-7224-6220
Fax: 020-7224-6334

200 Website Development Company for Israel (UK) Ltd (www.israelukbonds.com), Viewed in September 2008; Website Development Corporation for Israel (www.israelbonds.com), Viewed in September 2008; Palestinians lobby France to stop Jerusalem light rail project, Peggy Cidor, Jerusalem Post, Jerusalem, 7 November 2005; Polar gets off Jerusalem train, Citypass sources: Anyone who buys the shares will get an excellent deal, Globes [online] - Israel's Business Arena, 2 June 2008; Hapoalim, Leumi renew Jerusalem light rail funding, The banks suspended their loans to Citypass in July 2007, Globes [online] - Israel's Business Arena, 22 July 2008; Jerusalem light rail delays deter private sector, Harel blames the Jerusalem municipality for the project's postponement, Globes [online] - Israel's Business Arena, 16 September 2008.

201 The Dutch bank ASN divested its holdings from a French company, Veolia, whose Israeli subsidiary formed part of the consortium that had been granted the concession to build and operate the light railway. See <http://www.haaretz.com/hasen/spages/795387.html>. In late 2007 the PLO initiated proceedings in France against two French companies involved in the project. See <http://www.guardian.co.uk/world/2007/oct/26/france.israel> (last accessed 14 January 2009)

202 State Of Israel \$1,000,000,000 Jubilee Fixed Rate Bonds (Fifth Series) - Supplement to Prospectus Dated January 1, 2007, Development Corporation For Israel, New York, 29 February 2008.

203 Website Development Company for Israel (UK) Ltd (www.israelukbonds.com), Viewed in September 2008.

204 List of Authorized Institutional Lenders, Development Corporation for Israel, New York, 10 July 2008.

E-mail: info@israelukbonds.com
Website: www.israelukbonds.com

- **Public offerings of normal government bonds**

The Israeli Ministry of Finance has made eleven public offerings of normal government bonds abroad since 1995. The size of these offerings has gradually increased from US\$ 200 million to US\$ 250 million between 1995 and 1998, up to US\$ 1 billion in 2006.²⁰⁵ The proceeds of the offerings are used to finance the State of Israel. The prospectus of the bond issue of November 2006 states that: 'Israel will use the net proceeds from the sale of the bonds offered hereby (...) for the general purposes of the State'.²⁰⁶ This means that the proceeds are not earmarked and are used to cover the Israeli budget deficit. The proceeds therefore cover a percentage of all expenditures by the Israeli government - including expenditures on the occupation, the settlements and the Security barrier.

In the past five years the British bank HSBC was involved in two offerings of normal government bonds:

- In June 2003, HSBC was a member of the banking syndicate of a US\$ 750 million issue of 4.625% bonds, due 2013. HSBC underwrote US\$ 15 million.²⁰⁷
- In February 2004, HSBC was a member of the banking syndicate of a US\$ 500 million issue of 5.125% bonds, due 2014. HSBC underwrote US\$ 10 million.²⁰⁸

In September 2005, US\$ 750 million of 3.75% 10-year government bonds were issued by the Israeli government. No British banks were involved in the issue, but according to Euroweek 27% of the bonds were sold to investors in the UK.²⁰⁹

We found the following British holders of bonds issued by the State of Israel:²¹⁰

Bondholder	Amount held (in million US\$)
Capital International Ltd, part of Capital Group (United States)	70.4
Fortis Investments (United Kingdom), part of Fortis (Belgium)	44.8
Pictet Asset Management (UK) Ltd, part of Pictet (Switzerland)	18.0
Morley Fund Management	14.5
Artemis Investment Management	3.7
Investec Asset Management	2.2
Ashmore Investment Management	1.0

205 Website Government of Israel - Economic Mission to North America (www.israeconomieconomicmission.com), Viewed in September 2008.

206 Prospectus Supplement to the Prospectus dated February 18, 2004 - \$1,000,000,000, State of Israel, 5.50% Bonds due November 9, 2016, Israeli Ministry of Finance, 2 November 2006.

207 Prospectus Supplement to the Prospectus dated May 22, 2001 - \$750,000,000, State of Israel, 4.625% Bonds due June 15, 2013, Israeli Ministry of Finance, 10 June 2003.

208 Prospectus Supplement to the Prospectus dated February 18, 2004 - \$500,000,000, State of Israel, 5.125% Bonds due March 1, 2014, Israeli Ministry of Finance, 26 February 2004.

209 Base Prospectus, Dated September 5, 2005, State of Israel, €2,000,000,000, Euro Medium Term Note Programme, Israeli Ministry of Finance, 5 September 2005; Israel etches tight benchmark in euros for its own credit with Eu750m blowout, Euroweek - Issue: 923, London, 30 September 2005.

210 eMAXX-database (emaxx.reuters.com), Thomson Reuters, New York, Viewed in August 2008.

Barclays Global Investors	0.5
State Street Global Advisors UK Ltd, part of State Street Corporation (United States)	0.2

- **Public offerings under US government guarantees**

Apart from normal government bonds, which are issued by most governments in the world, the Israeli government also issues bonds which are guaranteed by the United States Agency for International Development. This is a unique arrangement reflecting the close governmental ties between Israel and the United States: no other government in the world offers bonds which are guaranteed by another government.

In April 2003, the United States approved up to US\$ 9 billion in loan guarantees for the State of Israel to be issued through 2005. In 2007 the program was extended until 2011. The notes issued by Israel under US government guarantees enjoy a credit rating similar to US government notes (AAA). Therefore in practice the yields on these notes are only slightly higher than the yields on US government notes.²¹¹

The United States law which approved this guarantee programme, clearly stipulates: "That guarantees may be issued under this section only to support activities in the geographic areas which were subject to the administration of the Government of Israel before June 5, 1967."²¹² The proceeds of bonds issued by the government of Israel under US government guarantees are therefore different from the State of Israel Bonds and the normal government bonds discussed above, as they may not be used for activities related to the Israeli occupation of Palestinian territories.

4.3.2 Links of British financial institutions with the settlements

- **Bank Leumi UK**

20 Stratford Place
London
W1C 1BG
United Kingdom
Tel: 020-7907-8000
Fax: 020-7907-8001
E-mail: info@bankleumi.co.uk
Website: www.bankleumi.co.uk

Bank Leumi (UK) Plc is a subsidiary of Bank Leumi le-Israel BM and the largest Israeli-owned bank in the UK (with assets of £ 1.2 billion).²¹³

Bank Leumi has branches in the following settlements in the West Bank: Ma'ale Edomim, Oranit, Pisgat Ze'ev, Gilo, Kiryat Arba, Katzerin. Furthermore, the bank has partial control over several companies who are involved in the occupation: Paz Oil Company (19%) and Super-Pharm (18%).²¹⁴

Bank Leumi is a lender to CityPass, the consortium that is constructing the controversial Jerusalem light rail project (see paragraph 4.3.1).

211 Website Government of Israel - Economic Mission to North America (www.israeleconomicmission.com), Viewed in September 2008.

212 Public Law 108-11, 108th Congress of the United States, Washington, 16 April 2003.

213 Website Bank Leumi UK (www.bankleumi.co.uk), Viewed in August 2008.

214 Website Who Profits (whoprofits.org), Viewed in August 2008; Annual report 2007, Bank Leumi, Tel Aviv, March 2008.

On the Bank Leumi website it is stated that: "Bank Leumi was established in 1902 as a part of Dr. Benyamin Herzl's Zionistic dream. The Bank was intended to be the financial arm of the Zionist Movement and is now the oldest and one of the leading banking corporations in Israel. From the beginning, Leumi integrated its business operations and a commitment to develop the Zionist project and the State of Israel."²¹⁵

- **CSS**

Apex House
18-20 Appold Street
London
EC2A 2AS
United Kingdom
Tel: 020-7422-1800
Fax: 020-7422-1801
E-mail: css@cssmail.co.uk
Website: www.csspartners.co.uk

CSS is a privately owned investment company. It was involved in several financing rounds for Greenkote, raising £ 5.7 million.²¹⁶ Greenkote produces advanced metal, alloy and plastics coatings. Its main plant and main R&D centre is located in the Barkan Industrial Zone settlement (see paragraph 3.10).²¹⁷

- **UMTB London**

30 Old Broad Street
London
EC2N 1HQ
United Kingdom
Tel: 020-7448-0600
Fax: 020-7448-0610
E-mail: umb.main@umtb.co.uk
Website: www.umtb.co.uk

UMTB London is a UK regulated branch of Mizrahi Tefahot Bank Ltd, one of Israel's largest banks. The branch focuses on servicing the needs of Israeli clients with business activities or offshore assets in London and catering to the needs of the UK's Jewish community.²¹⁸ Mizrahi Tefahot is Israel's fourth largest bank by assets and offers a complete range of international, commercial, domestic and personal banking services.²¹⁹

The bank has branches in the settlements of Alon Shvut and Karnei Shomron on the West Bank.²²⁰

215 Website Bank Leumi (english.leumi.co.il), Viewed in August 2008.

216 Website CSS (www.csspartners.co.uk/html/case_studies01.html), Viewed in August 2008.

217 Website Who Profits (whoprofits.org), Viewed in August 2008; Website Greenkote (www.greenkote.com), Viewed in August 2008.

218 Website UMTB London (www.umtb.co.uk), Viewed in August 2008.

219 Website Mizrahi Tefahot (www.mizrahi-tefahot.co.il), Viewed in August 2008.

220 Website Who Profits (whoprofits.org), Viewed in August 2008.

4.4 Summary

Apart from the British companies importing products from Israeli settlements (summarized in Table 3 on page 47), we found a further 17 British companies with a link to Israeli settlements. Of these, 10 companies have their head office in the United Kingdom and 7 are British subsidiaries of companies based in Israel or other countries.

Table 4 Other British business links with Israeli settlements

British company	Parent company	Country of parent	Type of company	Link with Israeli settlements
Artemis Investment Management			Financial institution	Holder of State of Israel bonds
Ashmore Investment Management			Financial institution	Holder of State of Israel bonds
Bank Leumi (UK)	Bank Leumi	Israel	Financial institution	<ul style="list-style-type: none"> Bank Leumi has branches in the settlements in the West Bank Financing Jerusalem light rail project
Barclays Global Investors			Financial institution	Holder of State of Israel bonds
Capital International Ltd	Capital Group	United States	Financial institution	Holder of State of Israel bonds
CSS			Investment company	Involved in several financing rounds for Greenkote
Fortis Investments (United Kingdom)	Fortis	Belgium	Financial institution	Holder of State of Israel bonds
Hanson UK	HeidelbergCement	Germany	Building materials	Hanson Israel owns plants in the West Bank
HSBC			Financial institution	<ul style="list-style-type: none"> HSBC <i>Genève</i> is an authorized institutional lender of the State of Israel Bonds. HSBC was involved in two offerings of normal government bonds
Investec Asset Management			Financial institution	Holder of State of Israel bonds
Morley Fund Management			Financial institution	Holder of State of Israel bonds
Pictet Asset Management (UK) Ltd	Pictet	Switzerland	Financial institution	Holder of State of Israel bonds

British company	Parent company	Country of parent	Type of company	Link with Israeli settlements
Record Power Ltd			Woodworking machinery and tools manufacturer	Exports to D.N.M. Technical Equipment and Tools, which has a branch located in the Barkan I.Z.
British Israel Investments	Leo Noé	United Kingdom	Property management firm	Owens a shopping mall in Maaleh Adumim through subsidiary British Israel Investments Ltd
State Street Global Advisors UK Ltd	State Street Corporation	United States	Financial institution	Holder of State of Israel bonds
UMTB London	Mizrahi Tefahot Bank Ltd	Israel	Financial institution	The bank has branches in the settlements of Alon Shvut and Karnei Shomron on the West Bank
Unilever			Food, personal care and detergents producer	Owens Beigel & Beigel, which is located in the Barkan industrial zone

Conclusion

During the research for this report, it became apparent that the process of verification of trading links between companies and Israeli settlements is often complex and difficult, due to the fragmentation of production processes as well as the issue of misleading labelling. The intertwining of the Israeli domestic economy with that of the West Bank renders it more difficult for companies to track and trace the production process from start to finish. In addition to the production of foods and other products, support for settlements can be more indirect though no less significant, particularly in the financial sector.

The issue of settlement goods being imported free of import duties which is in breach of the EU-Israel Association Agreement and sold in the EU is topical in the UK, as the UK government is taking the lead within the EU to curb this practice.

Some of the responses received from UK companies mentioned in this report put forward the idea that the settlements are a vital source of employment for otherwise impoverished Palestinians, and that they are therefore a good thing. Such arguments miss the point that the settlements are established on Palestinian land which is therefore rendered unavailable to Palestinians to develop for themselves. The existence of roadblocks and checkpoints that cut off the main routes for the movement of Palestinian goods and people (known as the closure regime), further exacerbates this problem, as has been well documented in World Bank and other reports. Many of these closures are directly connected to the presence of the settlements and their related separate road network which is designed to keep Palestinians in the West Bank away from settlements.

Recently, world attention has been focussed on Gaza. The expansion of settlements in the West Bank could appear to be less pressing than the humanitarian tragedy in Gaza, and the loss of civilian lives on both sides. However, the cycle of violence in Israel and the OPTs serves as a stark reminder of the grave consequences of the failure to implement international law and reach a fair and durable solution. The UK Government has repeatedly concurred that the largest single identified obstacle to a successful solution of the conflict in the form of a viable and independent Palestinian state is the continued, and indeed accelerating, expansion of Israeli settlements in occupied Palestinian territory.