

# The Diplomatic Club

April 2008 **Magazine**

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The Diplomatic Club Magazine

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Dear Friends,

This issue was composed in the atmosphere of the preparing to 60th Jubilee Celebration of Israel. The peoples of Israel are celebrating this event in deep believing in peace and prosperity.

The idea of the Diplomatic Club was born from the success of Tennis Tournament on 1998 dedicated to 50th Jubilee Celebration of Israel. This date become a birthday of the Diplomatic Club. Traditionally we organize the 10th Annual International Diplomatic Tennis Open Tournament.

I would like to inform of the new service that The Diplomatic Club going to provide: Discount Vouchers , it is a beneficiating system, used by the big Israeli companies to support they managers. Now discount vouchers for diplomats and community too. Permanent 10% discount in 178 food stores and 48 different chains.

For 100 NIS vouchers gives you 10% on cash and \$ 8 on credit card discount during the year , you pay 90 NIS in cash and 92 by credit card, you buy voucher of 500 NIS and pay 450 NIS in cash and 460 NIS by credit card, you buy 1000 NIS and pay 900 NIS in cash and 920 NIS by credit card.

The Diplomatic Club and Blue Square Israel Ltd (Israel's leading supermarket chain) providing gross discounts for the diplomatic and foreign community. With three supermarket brands and 178 stores, Blue Square provides millions of satisfied customers with value for money and an enormous variety of high-quality food items and services. Blue Square's brands include:

MEGA: Israel's most successful supermarket chain, with large stores that offer a vast variety of food and non-food items at everyday fair prices. \* SHEFA SHUK: hard-discount stores that also address the particular needs of the Orthodox community. MEGA BAIR: neighborhood stores that offer personal service and products to address local needs.

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Julia Verdel  
General Manager  
And the Editorial team

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Northern and Central Arava R&D

## Deputy Minister of Foreign Affairs Majalli Whbee to the DC: "The situation of Israel in international diplomacy is much better then before"

by Ksenia Svetlova

An Israeli, a Druze, a high-ranking army officer, a personal friend of late King Hussein of Jordan, and a diplomat - Majalli Whbee, deputy minister of Foreign Affairs, definitely has many hats. The phone in his office in Jerusalem never stops ringing and Majalli switches back and forth from Hebrew, to Arabic to English. He jokes that his bio is just typical for this country where everybody has a different and sometimes exotic origins and life path, yet it seems that deputy minister has set a precedent even for Israel. Whbee, who fought in Lebanon has now closest ties with Arab leaders, he is a Druze who skillfully represents Israel abroad and jingles between his native Beit-Jan, Jakarta and Rabat. In an exclusive interview to the DC he talks about the challenges of his work, the strategic threats to Israel in 21 century and the perspectives for the future.

**K.S.** Today, when Israel is about to celebrate it's 60-th birthday, how do you appreciate the position of Israel in the diplomatic and the international political spheres? From one side Israel's independence is honored in international capitals, on the other side, a considerable amount of countries still boycott the mere fact of Israel's existence?

**M.W.** As a matter of fact, I believe that today in 2008 our situation is better then ever. It has improved drastically since the time each our move was criticized and met with denouncements and UN resolutions. This change has occurred since the time the "Kadima" government adopted a strategy aimed at creation of a Palestinian state, based on formula "two states for two nations". I shall remind you that during the summit in Annapolis 60 ministers of foreign affairs were present, while more then 200 took part in Paris conference in December. Just look at Gaza developments - there is much more understanding for the Israeli position and the challenges Israel is facing in Gaza internationally.

**K.S.** Yet, there are massive campaigns which call for boycott Israel - in political, commercial and academic spheres, not



only in the Arab world, but also in Europe and US. How does Israel handles these boycott and information wars?

**M.W.** As you know there we still hear a great deal of harsh criticism on behalf of academic institutions and leftists parties, mainly in Europe. I believe that this criticism is rooted in misunderstanding of the political situation and misunderstanding of the challenges Israel is facing. Lately I was invited to make a public speech in the University of London. I was warned that my appearance there would stir a real storm and that I would be attacked by the audience, however after the lecture a lot of students - Syrians and Lebanese amongst them approached me and told me they were very interested by what I said and surprised at some of my views and positions.

Naturally, we shouldn't disregard and overlook any anti-Israeli vicious propaganda. At the same time it's important to notice that once this propaganda was much more widespread and acceptable, while today we know exactly who attacks us and why. Two major centers of these activities are Iran, Syria and Lebanon, the Hizbullah Lebanon - states that form the new "axis of evil" front.

**K.S.** What about the Arab scene? It seems that despite the ratification of the Arab peace initiative in Riyadh last year and the wide participation in the Annapolis summit, there is still a great deal of reluctance when

it comes to make ties with Israel?

**M.W.** As a person, responsible for creating connections with many Arab and Islamic states I have to tell you that there are many states that do recognize Israel and have ties of some kind with our state. As a matter of fact, many of them perceive Iran as a common threat and therefore there is more understanding to our position in this regard, and I'm saying this with great deal of content that today we are in a much better situation.

**K.S.** Yet, many states condition the normalization with Israel by the progress in negotiations with the Palestinians. What is your prognosis?

**M.W.** Regretfully, the situation in PA - the takeover of HAMAS and the continuation of terror from Gaza creates a lot of obstacles for any progress in regional diplomacy as well as in negotiation process with the Palestinians. I believe that HAMAS leaders do not serve the interest of their people, and if they will continue with the same policies, they will simply not allow the creation of an independent Palestinian state.

Yet, when it comes to Arab countries, they understand that they could gain a lot from making ties and connections with Israel, from Israel's experience in many fields - from agriculture to high-tech and there is a lot of interest and ongoing activity in this sphere, specifically in Egypt.

**K.S.** Despite the so-called "cold peace" between the two states?

**M.W.** Let me put it this way. Lately, Israel has signed an important and long awaited gas deal with Egypt. We would not make ourselves strategically dependant on the Egyptian gas, if we weren't sure of our good relations with this country. Of course there are always ups and downs in the dynamics between the two states, yet I believe that today there is a growing understanding in Cairo of the situation in Gaza strip. The establishment of "HAMASTAN" on Egyptian borders threatens Egypt as well as Israel. The situation on Rafah border in January this year when HAMAS activists had blown the border fence was a living

proof of my words.

**K.S.** But how stable is the situation in Egypt? Do you feel that the next administration will continue the political line of president Mubarak?

**M.W.** Egypt has a long history of political stability, I'm more then sure that the president is working very hard on providing a stable and powerful political succession. But if the course of developments will be different - we will also know what to do. Located in such an explosive neighborhood, Israel always has plans for 20-30 years ahead.

**K.S.** The American elections are almost beyond the corner now. Israelis always follow the elections in the US very closely and it seems that everyone has made his opinion already about the candidates? What are your expectations? Does the official Israel has any preference

**M.W.** The elections in the US are the internal matter of the US and it's citizens. We will respect any result of democratic elections, just like in any other country. Our connections with all the candidate are quite well and I assure you that whether the republicans will maintain power or

the democrats will take the elections, our ties with US will continue to be very good. We regard president Bush as a close friend to Israel and in fact the friendliest American president ever, and we hope that his successor will continue the line chosen by George W. Bush.

**K.S.** What do you wish to the people of Israel in the 60-th anniversary of independence which Israel will celebrate in a few weeks from now?

**M.W.** I hope that one day the Middle East will enjoy peace and stability its people long for...

### Majalli Whbee: Visitation Card

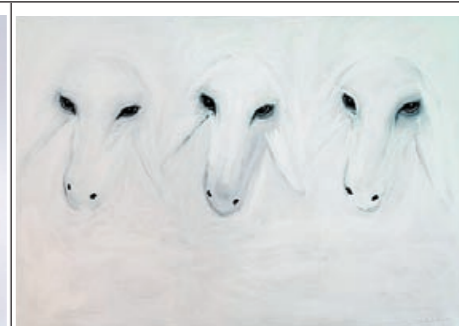
Deputy Minister of Foreign Affairs Majalli Whbee was born in Israel in 1954, in the village of Beit Jan. He served in the IDF, where he attained the rank of lieutenant colonel. He holds a B.A. in Political Science and the History of Islam and the Middle East from the Hebrew University of Jerusalem, and an M.A. in the History of the New Middle East from Haifa University. In public service, Whbee served as

supervisor of Road Safety in the Ministry of Transportation, a senior aide to the Minister of Infrastructure Ariel Sharon, and a senior political advisor to the Minister of Foreign Affairs Ariel Sharon and as his personal emissary to special contacts with Arab and Islamic nations. From 1999 - 2002 he served as Director General of the Ministry for Regional Cooperation. In January 2003 Whbee was elected to the

16th Knesset in January 2003 as a member of the Likud faction. He served as a member of the Knesset Foreign Affairs and Defense Committee, the Education, Culture, and Sports Committee and the Joint Committee for the Defense Budget. In 2005, he was appointed Deputy Minister in the Prime Minister's office. He was later appointed Deputy Minister of Education, Culture, and Sport.



Frank Meisler



Menashe Kadishman

### Welcome to the Tribes Fine Art Gallery

Situated on the bustling and scenic Tel-Aviv waterfront and side by side with Neve-Tzedek, the oldest neighborhood in Tel Aviv, the Tribes Fine Art Gallery recreates on the inside all of the area's unique charm and romance found on the outside.

From fresh young talent whose artistic creations scream out to be discovered, to passionate professionals whose works are displayed at shows, galleries and in private collections around the world, many believe there is no finer collection of paintings and sculptures created by the hands, hearts, souls and minds of ambitious contemporary Israeli artists at all levels of their careers and development.

In addition to our collection of works from these fine artists, visitors to our gallery are pleasantly surprised to discover that we also house one of the largest archives of original works from world-famous artists and masters including Picasso, Chagall, Mane, Matisse, Monet, Kandinski and so many more. Just contact us for the complete list.

Your satisfaction is our top priority. Perhaps that's why we're the preferred gallery of many art collectors from around the world.

Our gallery and web site are quite popular with collectors seeking tomorrow's investment-quality art at today's prices. If you see a selection that you like, we suggest you contact us at once to avoid disappointment.

We are committed to providing our collectors with the highest level of quality, value and service.

Tribes Gallery | David Inter-Continental Hotel, Tel-Aviv, Israel, 61501  
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# BOYCOTT OR NOT

by Ksenia Svetlova

A year has already passed since the Arab league ratified the Saudi peace initiative calling for normalization with Israel, ending of Arab-Israeli conflict and support of negotiations between Israel and the PA, yet the idea of normalizing relations with the Jewish state is still unacceptable for many in the Arab and the Islamic worlds. Even in Egypt and Jordan – countries which first signed the peace treaty with Israel - the trade unions oppose to normalizing relations with Tel Aviv and set the "achievement of a just peace agreement with the Palestinians" as a precondition.

## Arab world continues boycotting Israel.

Meanwhile the Israeli-Palestinian negotiation process continues to stumble, and the Arab world continues boycotting Israel on many different levels. The most recent event which drew public attention to this issue was the International Book Fair in Paris. This important cultural event has been boycotted by hundreds of Arab and Islamic publishing houses, authors and journalists. The reason – Israel was invited to participate in this fair as the guest of honor to commemorate that country's 60th anniversary of statehood.

Apparently, Google provides 386000 results for word combination "boycott Israel". There are countless organizations around the globe, including Israel, which call for political, economical, academic and cultural boycott of the Jewish state. Some societies and unions call to boycott goods that bear the incriminating stamp "Made in settlements" whereas others suggest to expand the boycott to all goods "Made in Israel".

## "The Israel Apartheid week"

"Israel has proven itself an Apartheid state. It practices policies of: Terror, Racism, Oppression, Occupation, Religious Discrimination and Ethnic Cleansing» claim the authors of the petition published by the Movement against Israel Apartheid in Palestine. "The Israel Apartheid week"organizers operate not only in

virtual but also in the real world. 2008 has become a fourth consecutive year for the organization to hold series of events dedicated to the situation in Israel and PA in 25 cities around the globe. During two weeks in February Johannesburg, Durban, Oslo, London, Oxford, New York, Washington, Berkeley, Montreal, Toronto, Vancouver, San-Francisco and others cities in USA, UK, Canada and PA witnessed lectures, screenings and photo exhibitions under the title «Say no to Israeli Apartheid». The website of the organization ([www.apartheidweek.org](http://www.apartheidweek.org)) explains that «In previous years IAW has played an important role in raising awareness and disseminating information about Zionism, the Palestinian liberation struggle and its similarities with the indigenous sovereignty struggle in North America and the South African anti-Apartheid movement. This year, IAW takes place on the 60th Anniversary of Al Nakba; 60 years of ethnic cleansing and dispossession for Palestinians. Join us in making this a year of struggle against apartheid and for justice, equality, and peace». Daniel F. Baron, a student in Oxford learned about the occasion from the flyer distributed in the campus. «My mother is from Israel origin, I have been in Israel many times myself and I know for a fact that Israel is not apartheid state. As a matter of fact, there are absolutely no similarities between the situation in South Africa and in Israel, it's an absurd! Israeli Arabs have equal rights to Israeli Jews, and as for Palestinians – I sympathize with their situation, yet it is the result of a century long Arab-Israeli conflict, not of some ethnic discrimination policies». Daniel says that all the activities organized by the «Israeli Apartheid Week» enjoyed a great deal of success. «The halls were full, even crowded I'd say, although I haven't been to all the activities carried out in Oxford". Among the "activities" organized in British elite university town were the lecture by professor Avi Shlaim "Beyond Apartheid: The Path to Peace" (chaired by Dr. Mustafa Barghouti, ex minister of

information in PA), "Gaza: The World's Largest Prison" by Khaled Hroub and "Israeli Media and the Palestinian Citizens of Israel" Haneen Zoubi and Daphna Baram. The purpose – according to the organizer of the campaign – who identified himself to me as Abdel-Razzouh is «to explain how the Israeli apartheid works, separating the Palestinians from their land and turning them into refugees, as well as separating the Israeli Arabs from the Israeli Jews within the state." Born in one of the refugee camps in the West Bank, Abdel-Razzouh is today a student in one of Great Britain universities. In the interview to DC he declined to tell his name or the name of the university he attends. Summarizing the two weeks of "Anti-apartheid events" he says it was very successful. "It is a difficult battle, but in Europe more and more people become conscious about the issue and these events really highlight what is the meaning of Israeli Apartheid, especially the separation wall".

## Information war is going on forever.....

The information war is going on forever and it's not an easy battle, the Israeli Foreign Ministry explains. In an interview to the DC, Ron Prosor, an Israeli ambassador in



Ron Prosor, Israeli Ambassador in the UK

Continue on page 12



## DIPLOMACY WITH EASE

The role of the diplomat abroad is not one to be taken lightly. It requires a high level of education, knowledge and self-assurance.

In Israel that role is all the more important due to the security and political situation.

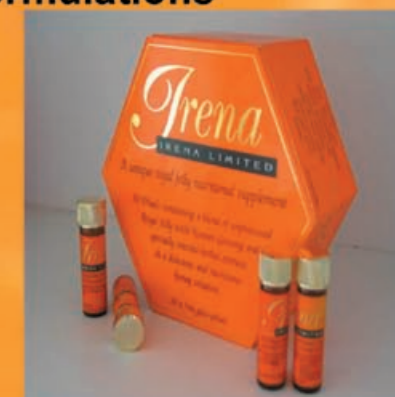
For the diplomat and his or her family, the time spent here can put a real strain on every aspect of life. The foreign community is fortunate to have the skills and support of a number of people to carry them through a large part of the process but wouldn't it be nice if you and your family had something that could take care of the mental and emotional processes too, leaving you free to enjoy life?

- Enjoy the freedom of travel without the worry of fatigue and jetlag
- Eliminate the stress involved in dealing with day to day business; adjusting to new schools and acquaintances
- Have the levels of concentration necessary for studying a new language; attending classes in school which are unfamiliar and daunting to even the hardest of children
- The ability to relax at the end of the busy work or school day
- Increased stamina to enjoy the growing number of sports available
- Cope with the harsh, hot and humid Mediterranean summer
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# Diplomacy on-line @@@

by Olga Tyonima

We are continuing our research about embassies websites, and we hope that you will find it useful. Don't forget that you can find all embassies on our page – [www.diplomacy-club.com](http://www.diplomacy-club.com) After browsing embassies' web sites, a sharp wish to start traveling right now appears. The more interesting, bright and comfortable embassy's web site is, the more attention it attracts. The more information you

can find in the web page the more you want to see and to try the country yourself. Nowadays in the age of marketing and promoting attractive web sites can be as important as expensive advertisements on TV. This tool is used widely by politics, candidates to the president and famous people. That's why Diplomatic Club highly recommend our members to take care of their interests and to use this easy tool for own good.

## Moldova

First of all we should mention Moldova's Embassy in Israel new web-page. It is very nicely designed. Users can find information in three languages – English, Romanian and Russian. With the help of this page you can learn about Republic of Moldova, about Moldovan- Israeli relations and Jewish community there.

For those who are searching for business opportunities and possible investments, there is a special link to specific information about Investments and tourism might be useful.

It is also easy to find information about consular services and Moldova's governmental organizations. Web page is not complicated and is very nice and comfortable. It's address is: [www.moldovaembassy.org.il](http://www.moldovaembassy.org.il)



## India

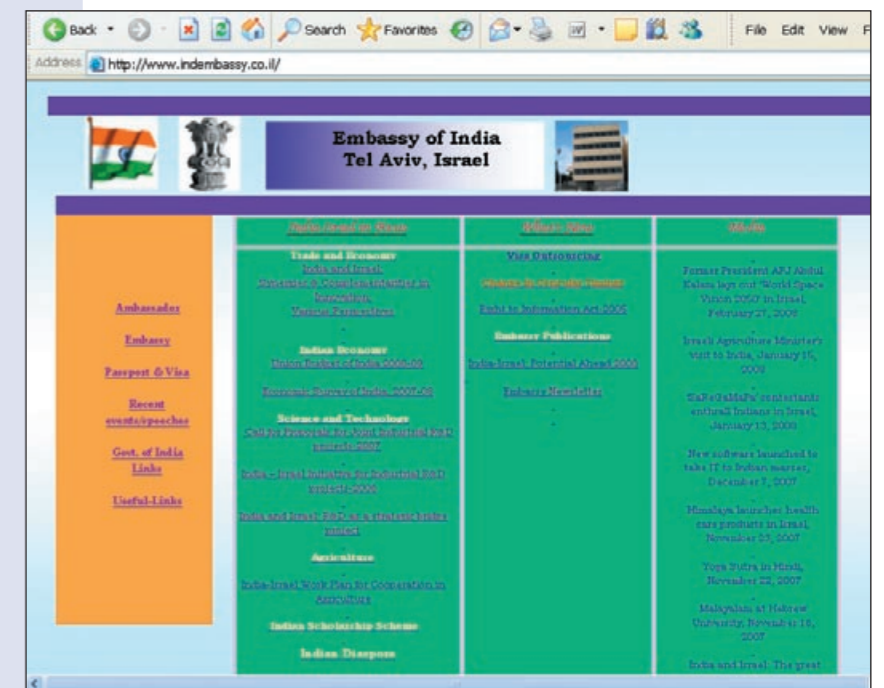
[www.indembassy.co.il](http://www.indembassy.co.il) - this link will lead you to the Indian embassy's web-site. The page is well-organized and very comfortable to use. Information is developed into 4 main columns: Consular Information, India – Israel in Focus, What's new and Media.

In the column devoted to the Consular information you can find everything about Visas, Embassy's address and contact information. In the same column you can find useful and governmental links.

In the "India – Israel in Focus" you can find information about economy, science, technologies, agriculture. The web site is also paying attention to Indian Diaspora and scholarships for Indian youth willing to study in Indian universities.

Next column includes information about embassy's publications and news while the last column "Media" gives information about "what's going on".

Website is decorated with Indian Flag and Indian National Symbol.



## Brazil

[www.brazilianembassy.org.il](http://www.brazilianembassy.org.il) - this web address belongs to the Brazilian embassy in Israel. Web site is bright, nice and colorful like a dream of a working hard manager, who is sitting in front of the monitor and dreaming about famous carnivals.

Information is provided in English and Portuguese. First of all the consular affairs are easy to find and to read about. Second, those, who are going to travel to Brazil, can find useful information concerning traveling and tourism. Those who are interested in foreign affairs and politics – can read news from Brazilian newspapers and journals online.

Those, who belong to the Brazilian community, can find information about upcoming events and holidays.

If you want to contact the embassy – you can do it on the phone that is mentioned on the web-site or you can leave a message online and surely get a reply soon.

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## Diplomatic Events

### 51st Anniversary of Ghana's Independence Celebration at the Dan Panorama Hotel



H.E. Nana Owusu - Nsiah being assisted by Mrs Agnes Winifred Owusu - Nsiah, Mr Jacques Revah, the Guest of Honour and Mr Nissan Kahtouri, Ghana's Honorary Consul in Eilat to cut the Anniversary cake.

Ghana's Ambassador to the State of Israel, H.E. Nana Owusu-Nsiah and H.E. Mr Jacques Revah, Deputy Director General of the African Division of the Ministry of Foreign Affairs of the State of Israel, are toasting to the goodwill of Ghana and a long, lasting and fruitful relations between Ghana and the State of Israel.



### Diplomatic Association of Tel Aviv Day Trip to Galilee

Antonios Mandritis, Counsellor and DHOM at the Embassy of The Republic of Cyprus, and President of the Diplomatic Association of Tel Aviv, recently led a group of 35 diplomatic personnel and guests on a day-trip to the Galilee. The group was on a tour with the Zimmer Home Association, which hosted them in several locales and brought them for lunch at a local restaurant. The Zimmer tour was in the area of Rosh Pina and show-cased five styles of zimmer homes. In addition the group visited the Monastery of St. Apostle of Jesus. The transportation was provided by the Ministry of Tourism of Israel.



Continue from page 6

the UK said that: "The embassy has been working hand in hand with the Jewish community in the UK, and specifically the Jewish student bodies, to counter this disturbing anti-Israeli trend. The embassy's strategy focuses on winning the hearts and minds of the British people by actively reaching out to the public. This is done through extensive media interviews, lectures, talks and visits by the ambassador and the staff of the embassy. The visits are especially important since they give the ambassador and the staff

a chance to directly engage the British public, by meeting with local politicians and decision makers, key figures in the community and local Jewish leaders. So far the ambassador has visited Manchester, Liverpool and Birmingham and more trips are planned for the year ahead".

Talking about boycott campaigns and activities, Prosor emphasizes that "these events are received in a rather indifferent manner, and according to our indications they are usually attended by the hard core of pro-Palestinian activists, and not by

the general student public. It seems that the anti-Israel campaign has transformed from a campaign that calls to boycott the Israeli academy, into a crusade to promote the notion of the "one state solution".

Naturally, the "boycott" camp claims to be successful in its mission. Each professor who joins the movement, each company which stops trading with Israel is being listed and praised. Each name is presented as another victory against Israel. ●

## Diplomatic Events

### Pastor John Hagee, Israel's Number One Evangelical Supporter, To Visit Ariel

Some 600 American Christian Zionists, led by well-known Evangelical leader, Pastor John Hagee, will arrive in Israel this week to express their support for Israel on the Jewish Homeland's 60th year of Independence. One of the highlights of their visit will take place on Thursday evening, April 3rd in Ariel where the city will hold a special event entitled "A Night To Honor Those Who Honor Israel", a salute to Pastor John Hagee and other well-known Christian Zionist leaders, such as Pastor George and Cheryl Morrison, Pastor Billye Brim, Bishop Keith Butler, Heather Johnston and many more. Among Hagee's group will also be orthodox Rabbi Arnold Scheinberg who will give the evening's invocation.

Reverend Hagee will also be accompanied by his wife Diana and some of his five children. Through his ministries, Hagee has given generous support to numerous projects in Israel, including Ariel's new Sports & Recreation Complex. During the Hagees' visit to Ariel, the main building of the project will be dedicated in their name.

Pastor John Hagee, who established Cornerstone



Church in San Antonio, Texas, is considered the leading Evangelist in the U.S.A today. In February 2006, to strengthen and unify American Christian Zionists, Hagee established

a new organization called Christians United for Israel. In only two years, over 75,000 Christian leaders, representing tens of millions of Americans have joined CUFI. Each organization annually holds "A Night To Honor Israel", attended by both Christian and Jewish Zionists. Ariel Mayor Ron Nachman, who has been a guest at several of these heartwarming evenings, has chosen to express his appreciation for this incredible support by holding "A Night To Honor Those Who Honor Israel" in his city, Ariel.

## Diplomatic Events

### Museum of the Regional and Mediterranean Archaeology

On Friday, 4th of April, at the premises of the Museum of the Regional and Mediterranean Archaeology in the valley of Gan Hashlosha took place the inauguration of the Centre of Ekecheiria, the Centre of Truce, Peace and Tolerance, in the Olympic spirit of the ancient Greece. The Center will include all the activities of All in Peace Organization, Olympic Games of Peace and Tolerance, seminars and artistic activities in accordance with the exhibits and the character of the Museum. During the ceremony a selection of black and white photos of Ohad Romano, from Olympic Games among children from belligerent regions that took place in the past in Delphi and in Olympia-Greece, was presented first time to the public. The inauguration took place with the participation of:



The Ambassador of Greece in Israel, Mr. Nikolaos Zafropoulos, The President of the Bet Shean Local Council, Mr. Dani Tamari, Mr. Eyal Bloch, Mr. Swaed Amos Mr. Amos Davidovits, representatives of the All in Peace Organization, Mr. Dror Segal, Director and Curator of the Archeological Museum who also preambled the ceremony, Mr. Arik Shiffer, General Manager of the "Meir Yaari" Advanced Education Association, Mr. Dror Fabazner, Director of the Northern Region of the Nature and Parks' Authority.

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## One life, live it well. That's the slogan at Holmes Place.

Holmes Place prides itself for providing a complete holistic experience that aims at improving the lifestyles of its clients from the moment they walk through the doors. Holmes Place presents its clients with the opportunity to initiate and maintain lifestyle changes that go far beyond the routine gym or health club experience.

Holmes Place's philosophy is that one should embrace the opportunity to enjoy life to the full and doing so by three fundamental investments in oneself: 1) maintain health and balance of the mind and soul 2) maintain a healthy and balanced diet and 3) maintain a fit body by committing to a regular workout. If one of these three investment areas is neglected and not being given the attention it deserves, the other two investment areas will be affected, thereby enhancing the challenges that surface when committing to lifestyle changes.

This particular philosophy shines through in Holmes Place upon entering any of their 17 exclusive clubs located here in Israel, from Ashdod in the south

to Carmiel in the north. The clubs boast exclusive spas pampering its clientele with the finest luxury products and offering beauty treatments from manicures and pedicures, to facials and massages. Many of the treatments at the spa are unique only to Holmes Place and clients can choose between a wide range of treatments from the traditional deep tissue massage to a unique wine or praline massage.

Following a trip to the spa to calm and balance the mind and soul the facilities extend to a wellness area where clients can further enjoy a swimming pool, whirlpool, sauna and steam room.

Working out and maintaining a healthy regimen is a vital component in Holmes Place philosophy. The gym boasts state of the art equipment with personal trainers who provide highly personalized services. Trainers are continuously engaged through classes and lectures to improve their knowledge and expertise of working with different client needs and a variety of conditions such as arthritis, diabetes, hypertension, asthma, rehabilitation after injuries, postural problems and repetitive

strain injuries (RSI). Also, trainers are trained to help and train pregnant women no matter the term in their pregnancy.

All of the cardio machines, cross trainers, running machines feature an inbuilt entertainment system with personalized screen which allows for watching movies, television shows and the news or simply to listen to your favorite music. Also each club has an extensive weight training area and studios dedicated to spinning, yoga and aerobics just to name a few.

Maintaining a healthy diet and eating well is the final, but equally important, component of the Holmes Place philosophy. Upon entering a Premium Holmes Place one can notice right away the "BE" food court with plenty of healthy food options as well as fresh fruit and vegetables juices readily available. Additionally, there are nutritional programs that dieticians will provide specifically for you, keeping in mind your specific and personal needs.

To accommodate its clients Holmes Place offers various kinds of memberships such as the worldwide Membership designed for those who travel regularly, allowing you to share the Holmes Place experience at any of their clubs located in over 60 countries from Greece, Portugal and Spain to Hungary, Switzerland and the Czech Republic and of course right here in Israel. Similarly, there is the Platinum Membership which allows entrance and participation to any of the 17 clubs here in Israel. Additionally, there is the Flexible Membership allowing you to join for any number of months you choose.

Holmes Place prides itself in being leaders in health and wellness. 70% of members belonging to gyms or clubs in Israel belong to Holmes Place. The reason is Holmes Place offers a unique culture which can be felt immediately. "One life, live it well" is a clear statement and a reminder that being a Holmes Place member means making a choice to live life well.





# Alcohol Reform: The Study

True remedy or placebo? What is the essence of proposed alcohol reform? Who will gain and who will lose? And will some orchards become a home for illegal refineries?

During the last few weeks the sphere of alcohol importers and distributors has been stirring and seething. All of the sudden the state – Tax Authority in particular – decides to initiate a radical move of reforming a tax structure on alcohol in Israel. The need in change is obvious and the proposal apparently seems positive, yet it has its share of shortcomings, its consequences are unclear and more importantly – it smells of underhanded opportunism.

## Who needs an alcohol reform?

Many states are concerned by the question how to gain from selling different types of alcohol while protecting the public health. How not to encourage the consumption of alcohol and how to tax it so the goods will still sell and the state would profit. If to take into consideration just social rather than commercial rationale, it becomes crystal clear that until this very day there is no magic equation that would prevent alcoholics, children and teenagers from purchasing and consuming alcohol. The success of war against alcohol addiction lies in adequate guidance, information and supervision, especially on liquor shops and eventually in proper policing. The raise in alcohol prices will definitely have some measured effect yet it needs to be carried out wisely. Many researches show that increase in prices or taxation on alcohol does not solve the problem: it changes it.

## Taxation of cheap alcohol and duty free

There is no doubt that the existing system is not adequate and is in dire need of reform. The method of graded taxation based on the percentage of the wholesale price is fundamentally wrong as it opens a door for fraud and makes tax collection impossible. The tax cost on commodities

which wholesale price is less than 5\$ is 75\$ turns vodka into the cheapest and most available liquor, no matter what social damage it causes. Also, there is no correlation and free price competition between the luxurious products and the cheaper ones: by doing so the state in fact interferes in free competition between different brands. Allegedly the rich people are supposed to pay more for their luxurious drinks, but in fact they pay considerably less since they shop in Duty Free. Israel is one of the few states in the world that practices the «buy and keep for later» patent in the Duty Free. This patent in addition to lack of real supervision on the amount of drinks that we bring to Israel turned the Duty Free into one of the largest stores in the world in an airport with movement equal to some provincial airport in USA or Europe.

The proposed reform attempts to cast a measured tax according to a percentage of alcohol which will result in rise in prices of cheap drinks as well as local production. What numbers are we talking about? In 2012 the cost of tax on alcoholic drinks will be 45 NIS per liter. If vodka contains 40% of alcohol the cost of tax per liter of vodka by the end of the tax reform introduction will be 18 NIS. The tax cost per bottle will be 13.5 NIS (per standard 750 ml bottle). One should keep in mind that the final liquor prices for consumer also include some profit for the retailer as well as V.A.T. and all these are influenced by the liquor tax cost.

## Araq in the orchard

There are vodka, araq, gin whiskey and other kinds of alcoholic drinks in Israel today that are priced unbelievably like in no other place in the world, in Europe for instance. These are alcoholic drinks that no true alcohol lover will care to drink, not even for the sake of pure experiment.

They are designed for common consumption by those who cannot afford anything else or are interested in more prestigious kinds of liquors. The social damage caused by these cheap alcohol as well as "Alchopop" drinks (like breezers and RTD) is huge as they are often consumed by children and teenagers. There is no doubt that the availability of these drinks in the market should be reduced.

## Too fast, too odd

It is clear that the consequences of this reform will be devastating, a fear, that was already voiced by the Authority itself. Therefore it suggests to introduce the reform selectively rather than equally on all the products.

During the first year the prices of vodka, brandy, rum, tequila and liqueurs will go up 7 to 10 NIS per liter, while whiskey and gin will cost 43 NIS more. Gradually the low rates will go up and the high will go down. When the reform is implemented fully in 2012 the tax will set upon 18 NIS per liter of liquor. The fact why did the Tax Authority decide to begin with whiskey and gin and not vodka, remains unclear. Maybe it was motivated by the desire to defend the local manufacturer, yet it seems to me as a solution that serves someone's interest.

If this reform is indeed implemented, there will be no demand for plenty supplies of cheap whiskey, since no one will buy a nameless bottle of whiskey for 90 NIS. Medium-priced whiskey like Grant's or Ballantine's, that costs today 100 NIS, will go up to 155 NIS. However, this enormous increase in the rate of whiskey which isn't used by heavy drinkers to knock their head off will definitely affect the middle class. At the same time the price of Red Jonny Walker will go down to 175 NIS instead

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of 190 NIS and will reach the top end of "middle class" drinks such as Grant's or Ballantine's.

Some among the importers are better dealing with vodkas, while others are "stronger" in whiskey. Some import the elite brands and others more common products. The "Kerem" and "The Scottish" import large quantities of cheap and middle-priced whiskey. The "Kerem" and IBBLS also import a lot of cheap vodka, however IBBLS is stronger in elite, then in cheap brands. Each one of the importers will be obliged to wipe out some of the brands from its shelves, yet there will be those who will wipe more than the others. The decision of the Tax Authority to divide the implementation of the tax selectively is obscure and the decision to start preciously from whiskey and gin is no less obscure. Other importers, such as "Akkerman" and "The French Israeli Quality Wine Group" will gain more than they will lose, and the Duty Free will lose a great deal.

## Wait a minute, what about parallel import?

A direct importer purchases the alcohol from the manufacturer at a rate which is cheaper by 30% from the rate of the

product in Israel in parallel import. The parallel importer can find the different liquors everywhere, it can come from the surplus of a Duty Free in Kamchatka, confiscated goods etc. The parallel importer does not market the liquors – he just brings in the most popular brands – "a bread and butter" of brands, he doesn't have a reserve stock or storage room, therefore his risk is lower while the profit margins are significantly higher. Since the purchasing tax is set as a percentage of the price according to the invoice presented by the importer, there is plenty room for fraud.

Allegedly there might be a situation in which the price of a bottle mentioned in the parallel importer invoice is 30\$, while the direct importer purchases the same bottle from the manufacturer for 45\$. The parallel importer will also pay a lower tax for 30\$ while the direct importer will pay a higher tax calculated from the 45\$. The customs have no way to find out if there was a fraud or not. Consequently if the parallel importer cheats and reduces the price of the product below of a high tax threshold, he will also be rewarded by the state: for his tax level drops and for each dollar he hides? he also gets twice a bonus. The sphere of the parallel

import is in a complete mess and there is a suspicion that some criminal elements had already infiltrated into it, and if not yet – they will do it in no time. The heads of customs are far from being stupid: they notice the odd invoices and they understand that they are being lied to their faces. The problem is that they don't have any tools to prove their case. At the same time, the parallel importer despite all the disadvantages helps to keep the prices low: the importer goes to the manufacturer, explains the situation in the market and the manufacturer lowers the price of a product to allow the importer 25%-30% profit margins against the parallel import.

## The name of the game: trucks

In their turn the supporters of the reform say, that if the profit margins of 12% are not enough, it means that the direct importers will have to reorganize. The most important part of this reorganizations is logistics – distribution and supply – and here the large companies have an advantage over the smaller ones. For example, Coca Cola reaches every corner in Israel and allegedly it doesn't have a problem to "carry" the products of IBBLS as well.

Today it distributes "Smirnoff Ice" which is a typical supermarkets and grocery stores product. Tempo also has its own distribution company named "Segal" and sophisticated logistics organization would be able to compete against Coca Cola. This way, just the big players that already share the monopoly on beer market will be able to compete among themselves. The new players will be hardly let into the market.

**Intermediate summary**

It is required to reform taxing. The tax reform on beverages suggests a unite tax according alcohol percentage, both for the import and for local products. The meaning of the law is a death bump for local manufacturers and for cheap beverages. In order to moderate damage a tax department recommends do start realization of the law gradually, but it's fulfilled in a surprising way.

**Continuation**

Among all these suggestions the reference to RTD products is absent. Alcopops

like Smirnoff Ice, Bacardi Breezer and others brands are in fact well supported by the new system, but surprisingly this fact is neglected.

If the Breezers are taxed according to alcohol percentage, the tax cost will be reduced to 70 agorot per bottle (today its price is 1.5 NIS). How is it possible? 45 NIS for liter of alcohol, multiplied by five and a half percents, equals 2.5 NIS. A volume of a bottle is 275 ml and a tax will be 70 agorot. This product is mostly purchased by young people who often regard it as light beverage

**Summary: a measured tax is the right solution, yet...**

This tax gives equal status to a direct and a parallel importers and doesn't take into consideration the level of prestige of the bottle. It also doesn't stop the government from interfering the dynamics of the market. The adequate tax should be introduced in adequate time simultaneously with the legislation that would regulate the market. If bars and pubs work correctly they will be

able to profit from the substantial prices reduction which they will be able to move to the consumers. It especially concerns the elite products. We might see a bigger variety in the bars, but only if the competition and the demand will accomplish their goals.

If less cheap alcohol will be sold - all of us will gain. At the same time, if the medium priced alcohol go up, the middle class that always loses will lose again. The poorer segments of population are not supposed to spend money on alcohol, as they allegedly not supposed to spend money on cigarettes....

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**Cheesecake of Israel 60th celebration**

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9:30 Competition  
10:00 Life-baking of the jubilee cake by Israeli chef  
13:00 Prizes

- The jury will include the most popular Israeli chefs: Ruth Keenan (chef and writer for Yediot Haharonot) Beni Saida (chef and writer, Arik Porat (chef) - tentative
- Categories for cheesecake /cheese products competition are: 1. Visual 2. Taste 3. Creation
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