



STATE OF ISRAEL  
MINISTRY OF INDUSTRY, TRADE & LABOR



מינהל | FOREIGN TRADE  
סחר חוץ | ADMINISTRATION

Promoting Israel's Trade Globally

# Israel Economic Mission

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# Overview of presentation

- Role of the Economic Mission
- Supporting companies on micro/macro levels
- Economic Indicators
- Features of the Israeli Economy
- Israel's Competitive Edge
- Ingredients for Innovation
- Cultural differences

# Government of Israel Economic Mission to Canada

- Division of the Ministry of Industry, Trade and Labor
- Offices in Toronto and Montreal
- Promote bilateral trade, focusing on Israeli exports
- Provide individualized services to Israeli exporters
- Promote joint Research & Development projects – CIIRDF, Maimop-NRC
- Attract Foreign Direct Investment to Israel
- Manage Israeli national pavilions at major trade events
- Part of a global network

# Economic Missions around the World supporting the Israeli exporter



# How we support Israeli companies:

## Micro Level

- Support the lone exporter
- Organize delegations to Canada & Israel
- Promote events, shows and exhibitions

## Macro level: Israel's Free Trade Agreements

- Free Trade Agreements
- Avoidance of Double Taxation
- Cooperation in Industrial R&D

# Conférences and Trade Shows

- Agritech



- AeroSupply



- Biomed



- Eilat Eilat



- Home Land Security



- Israwine Expo



- Jovella



- Plasto Ispack



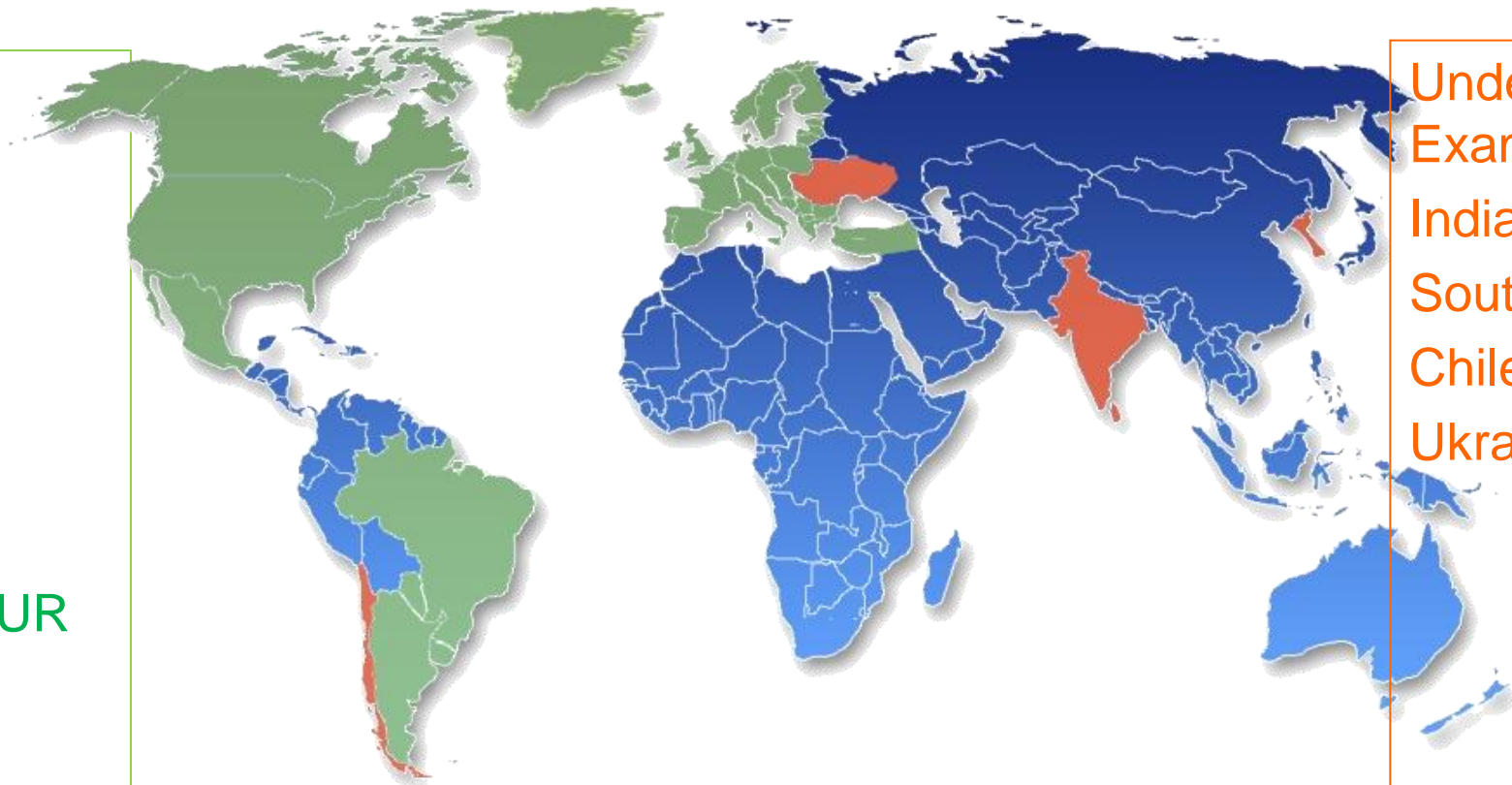
- NanoIsrael



- Watec



# Israel's Free Trade Agreements



Existing:  
EU  
USA  
EFTA  
Turkey  
Mexico  
Canada  
MERCOSUR

63% of Israel's  
Trade in 2009

Under  
Examination:  
India  
South Korea  
Chile  
Ukraine

6% of Israel's  
Trade in 2009

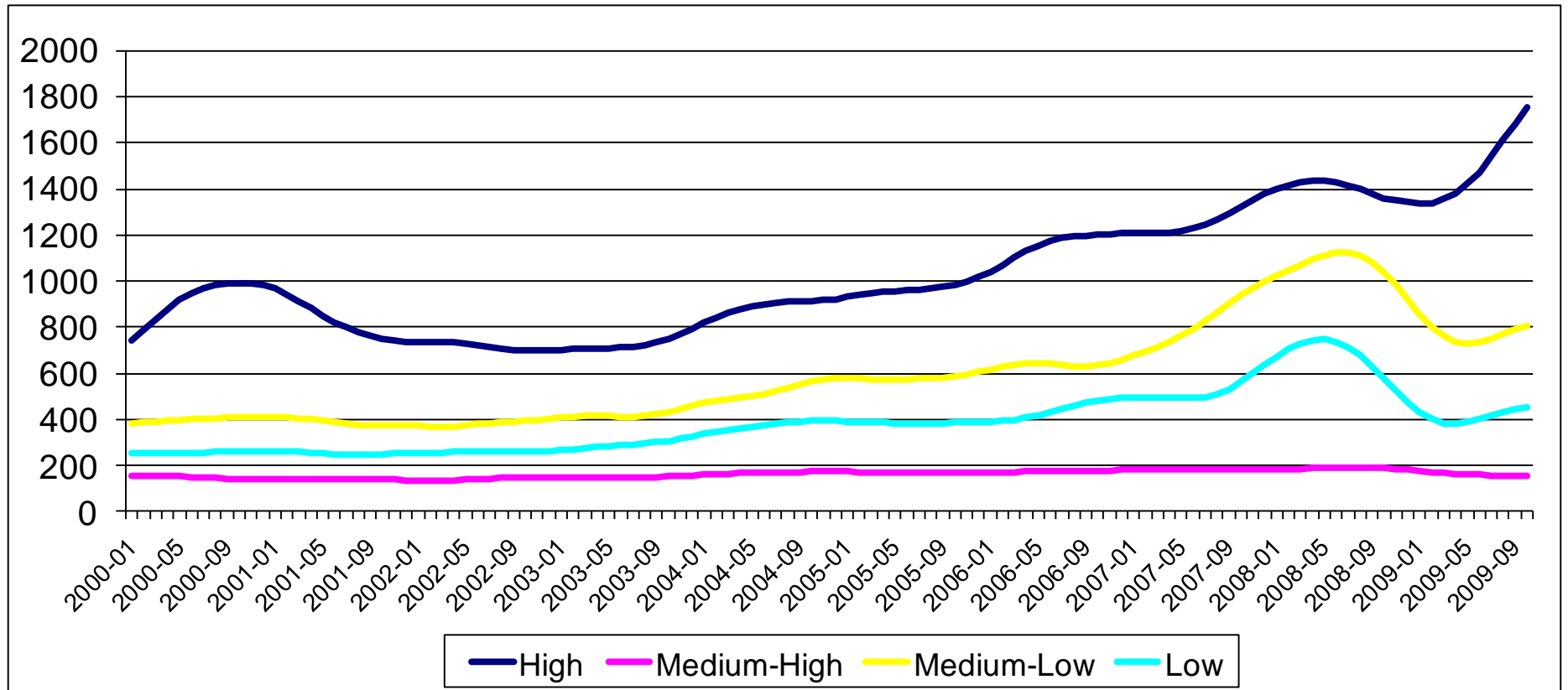


# Main Economic Indicators

<b>Criteria</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>GDP (current prices in \$B)*</b>	164.1B\$	191.8B\$	193.1B\$	204.6B\$	214.2B\$
<b>GDP Real Growth Rate (%)</b>	5.4%	4.0%	0.7%	4.8%	4.7%
<b>GDP per Capita (PPP)**</b>	26,226\$	27,355\$	27,054\$	29,602\$	31,005\$
<b>GDP per Capita Growth Rate (% , Current prices)</b>	3.5%	2.1%	-1.1%	2.9%	2.8%
<b>Exports (Goods &amp; Services)(As %of GDP)</b>	71.2B\$ (43.4%)	80.4B\$ (40.3%)	67.9B\$ (30%)	87.7B\$ (42.9%)	91.9B\$ (42.9%)
<b>Imports (Goods &amp; Services)(As %of GDP)</b>	73.5B\$ (45.1%)	84.3B\$ (42.2%)	63.1B\$ (29%)	82.3B\$ (40.2%)	91.05B\$ (42.5%)
<b>Unemployment Rate</b>	7.3%	6.1%	7.4%	6.6%	5.7%



# Export by Technology Level



## Export by Technology Level

Industry	2010	2011	
<b>Total, excl. diamonds</b>	<b>40,678</b>	<b>45,752</b>	<b>%</b>
<b>High - technology industries</b>	<b>20,128</b>	<b>21,517</b>	<b>47%</b>
<b>Medium - high technology industries</b>	<b>11,710</b>	<b>14,183</b>	<b>31%</b>
<b>Medium - low technology industries</b>	<b>6,739</b>	<b>7,780</b>	<b>17%</b>
<b>Low - technology industries</b>	<b>2,101</b>	<b>2,272</b>	<b>5%</b>

# Top 10 Québec Exports to Israel 2011

- Paper
- Engine, Turbine and Power Transmission Equipment
- Jewellery and Silverware
- Computer and Peripheral Equipment
- Wood
- Synthetic Dye and Pigment
- Aerospace Product and Parts
- Alumina and Aluminum Production and Processing
- Pharmaceutical and Medicine
- Navigational, Measuring, Medical and Control Instruments

# Top 10 Québec Imports from Israel 2011

- Aerospace Product and Parts
- Jewellery and Silverware
- Nonwoven Fabric
- Communications Apparatus
- Cosmetics and Toiletries
- Plastic Product
- Basic Organic Chemical
- Plastic Film, Sheet and Bag
- Metalworking Machinery
- Artificial and Synthetic Fibres and Filaments

# Features of the Israeli Economy

- A small country, lacking natural resources & a significant local market
- Human capital is the main resource
- Export oriented and dependent on the global economy
- Markets for Israeli products are several time zones away

## **The Objective:**

**Developing innovative industry that can overcome geographic & geo-political challenges while leveraging the advantages of its population**

# Israel's Competitive Edge

1<sup>st</sup> in the world for flexibility and adaptability

1<sup>st</sup> in the world for scientific research

1<sup>st</sup> in the world for entrepreneurship

1<sup>st</sup> in the world for information technology skills

1<sup>st</sup> in the world for expenditure on R&D (as % of GDP)

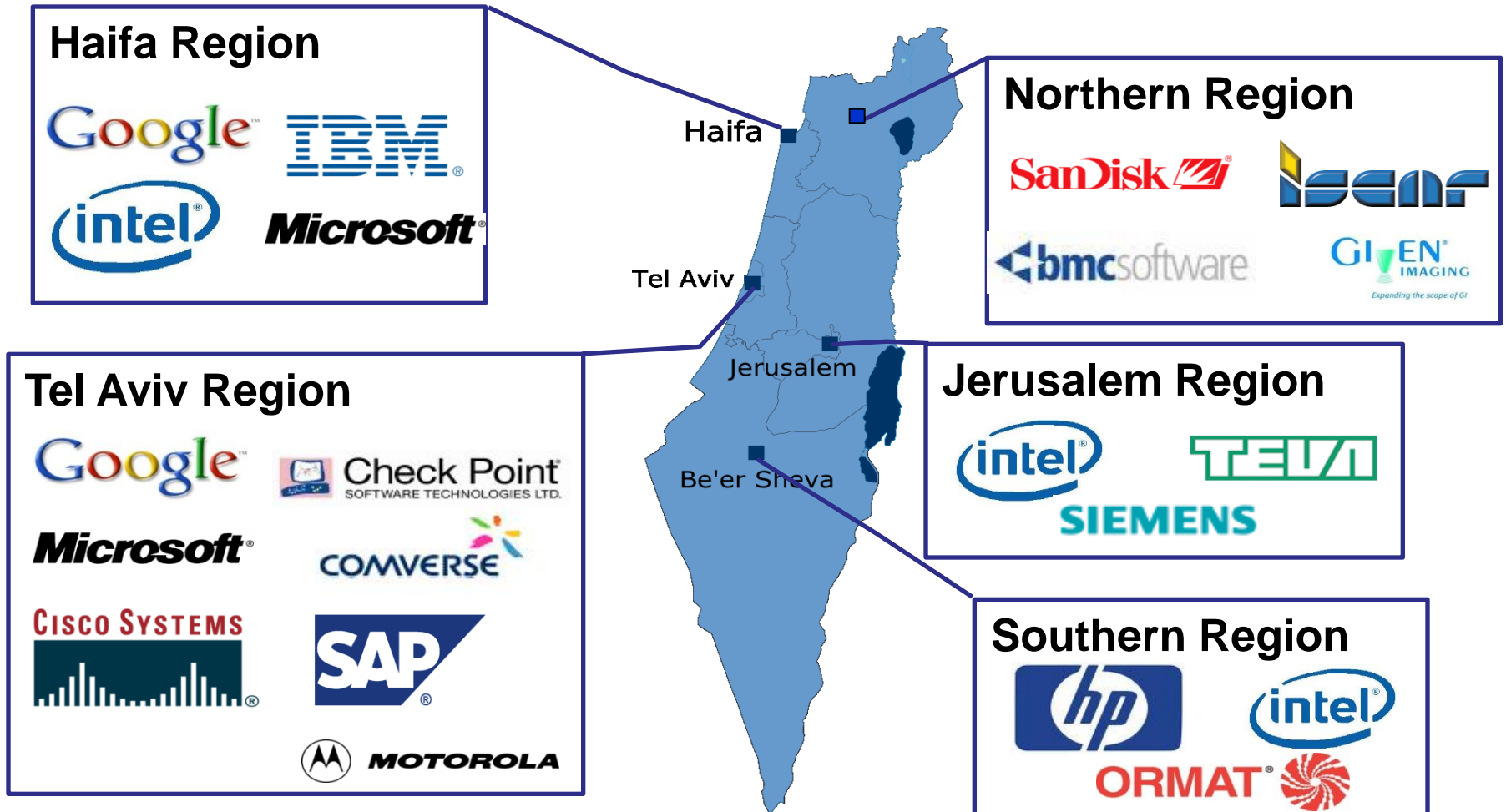
2<sup>nd</sup> in the world for innovative capacity

2<sup>nd</sup> in the world for venture capital

4<sup>th</sup> in the world in utility patents per million population



# Israel as a center of innovation





# Ingredients for Innovation

- Necessity
- Scarcity of natural resources
- Government support:
  - Encouragement of R&D Law
  - Incubators
  - R&D Funds
  - CIIRDF
- Entrepreneurial spirit

# Israeli Breakthroughs – Selected Examples



- **Given Imaging** – First ingestible video camera used to view the small intestine and diagnose disorders



- **Intel's** Core 2 Duo, **Centrino** and **Pentium 4** microprocessors



- M System's **Disk on Key (USB stick)** and Disk on Chip flash memory



- GE Healthcare's **portable cardiac ultrasound system**



- The **Phillips** Brilliance CT Scanner



- **IP** Telephony invented by founders of Vocal Tec



- **AOL Instant Messenger ICQ**



- **Zip** compression technology

# Cultural comparison

- **Cultural differences:**

Direct, Open

- **Business culture:**

- Israelis are more inclined to take risks.

- Israelis are able to work in a more uncertain environment, using trial and error to progress.

- Canadians tend to have a longer networking process, while Israelis prefer to get down to business.

- **Size:**

- Canada: 9,984,600 Km<sup>2</sup> (450x)

- Israël: 22,000 km<sup>2</sup>

- Québec: 1,542,056 Km<sup>2</sup> (70x)

- Canada: 34 M

- Québec 8 M

- Israël 8 M

# Merci

# Toda Raba