



Israel
Association of
Electronics & Software
Industries

Israel Association of Electronics and Software Industries - 2009

ISRAEL SIZE



- **Population: 7.2 M**
- **Households: 2.07 M**
- **Urban Population: 92%**
- **Area - grand total 22,145 sq. km**
- **GDP: US \$ ~ 161 B**
- **GDP Per Capita: US \$ ~22.5 K**



Israeli Hi-Tech at a Glance

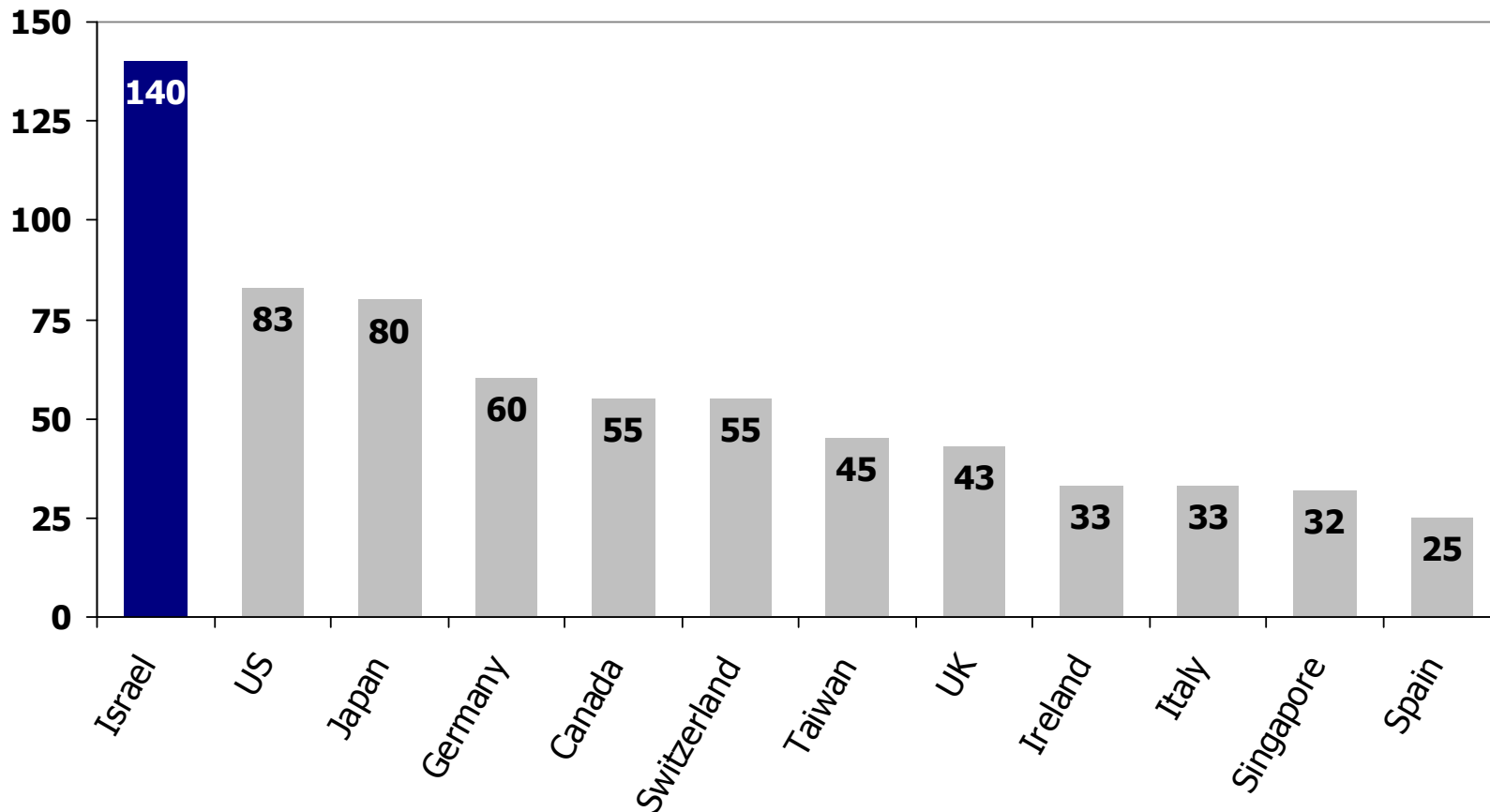
- 3,000 technology companies of which more than 500 companies with yearly revenues of more than \$20 million
- 200 new start-ups created every year
- Israel is the 2nd largest non-USA country on NASDAQ – more than 120 Israeli companies listed
- Over 400 Israeli companies operate subsidiaries or headquarters in the US
- Over 80 fortune 500 global corporations conduct leading edge R&D in Israel
- The highest per capita US Patent applications in the world

The most important innovation center outside of the USA



Israel's "Formula": An Innovation Heaven

Scientists & Engineers per 10,000 pp



***Highest number in the world
of scientists and engineers per population***



Industrial R&D Cooperation Agreements



Austria



USA



Sweden



Belgium



Ireland



UK



Canada



Italy



India



China



Korea



Spain



France



Netherlands



Finland



Germany



Portugal



Singapore



Hong Kong

Foreign Companies Invested in Israel (Examples)

US

- Microsoft
- Epix
- AOL Time Warner
- Intel
- IBM
- Perrigo
- Cisco Systems
- GE Healthcare
- Lucent
- 3Com
- Hewlett Packard
- Stryker
- Motorola
- Sun Microsystems
- Johnson & Johnson
- Dentsply
- Kodak

Europe

- British
- SAP
- Philips Medical
- Alcatel
- Siemens
- Cable & Wireless
- Deutsche Telecomm
- Telecom Italia
- Generali
- Nestle
- L'Oreal
- Danone
- Unilever
- Vilmorin
- Veolia
- Ferring
- Merck Serono

Asia

- Sony
- Toyo Ink
- Fuji
- Honda
- Sumitomo Trading
- Nomura
- Samsung Electronics
- Daewoo
- LG Group
- Hyundai
- Acer Computers
- Macronix
- Winbond
- Hutchison Telecomm
- Scigen
- Jain Irrigation
- Sun Pharmaceutical

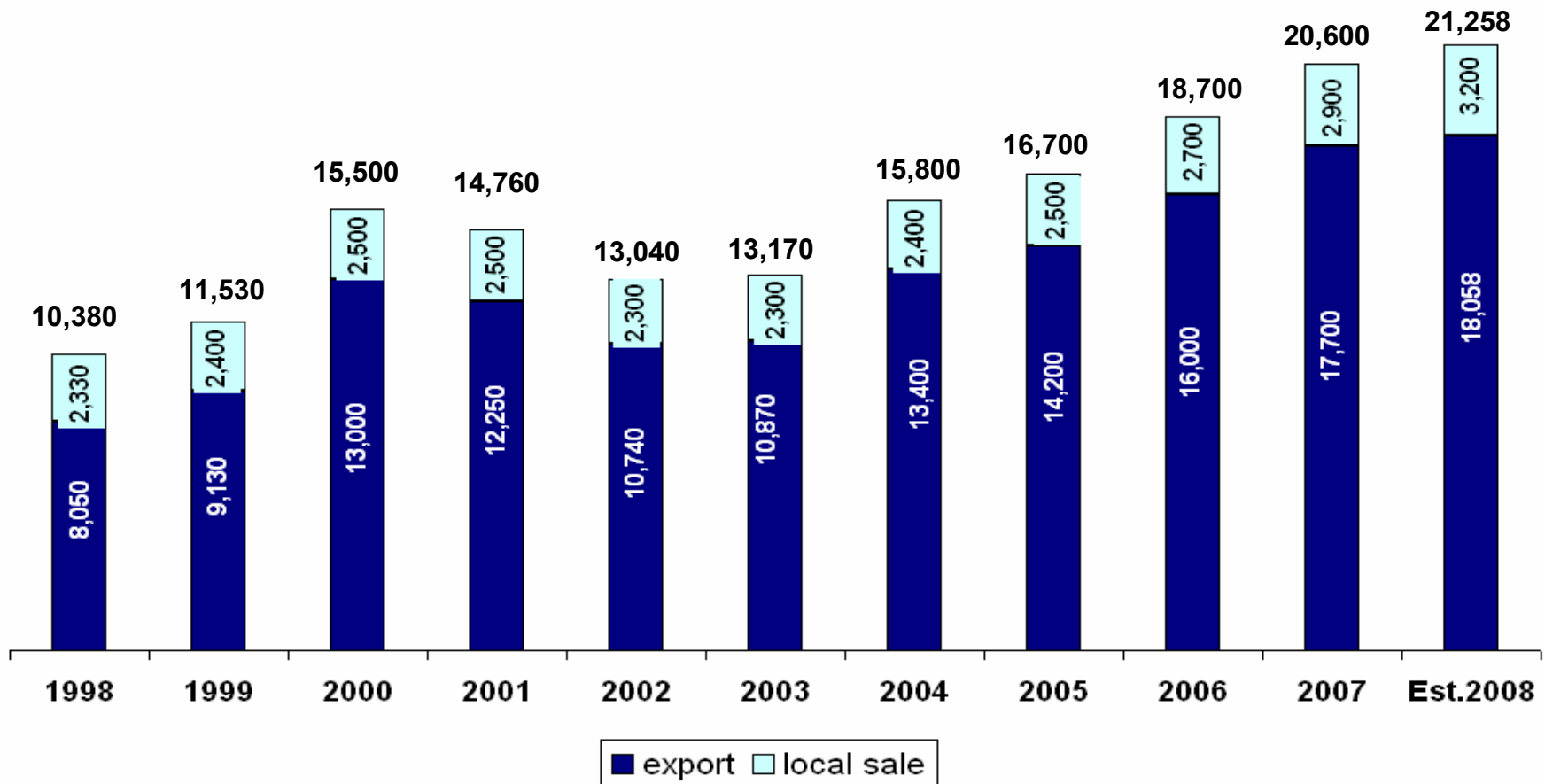


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EXPORTS: The Engine of The Hi Tech industry

**In 2008,
the Export of the
Electronic & Software
industries was about 50% of
Israel's Industrial Export.
Make's The main contributor
of The Economy growth.**

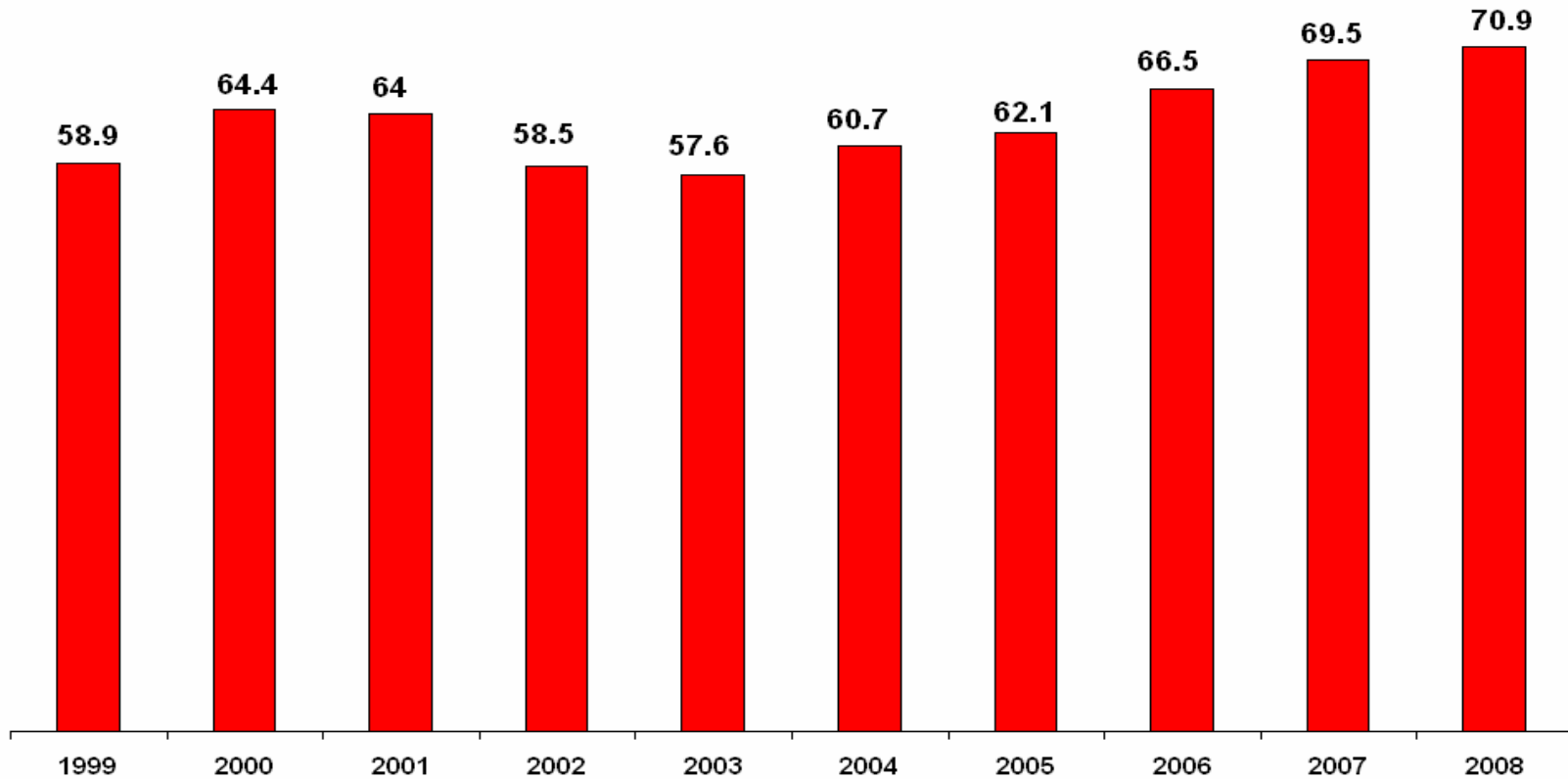
Electronics Industry & Software Export & Local sale- millions \$





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Electronics Industry Employees (Thousands)



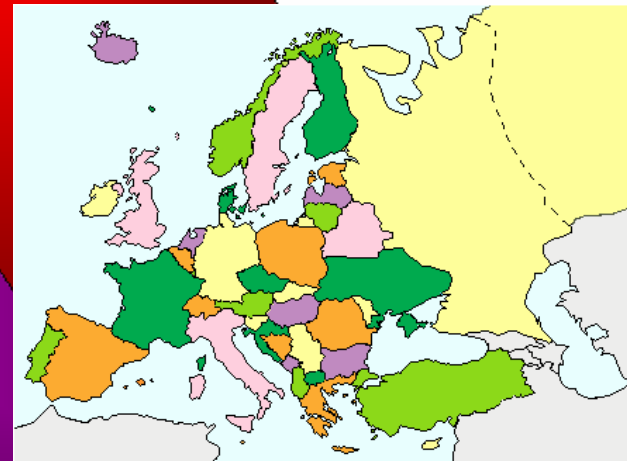
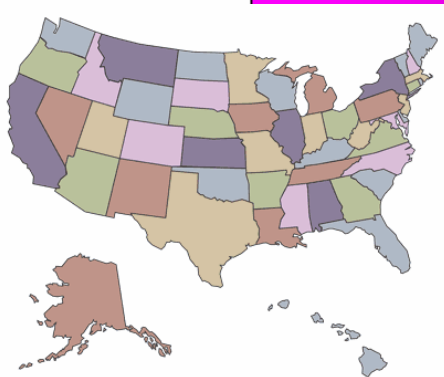


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Where the export goes?



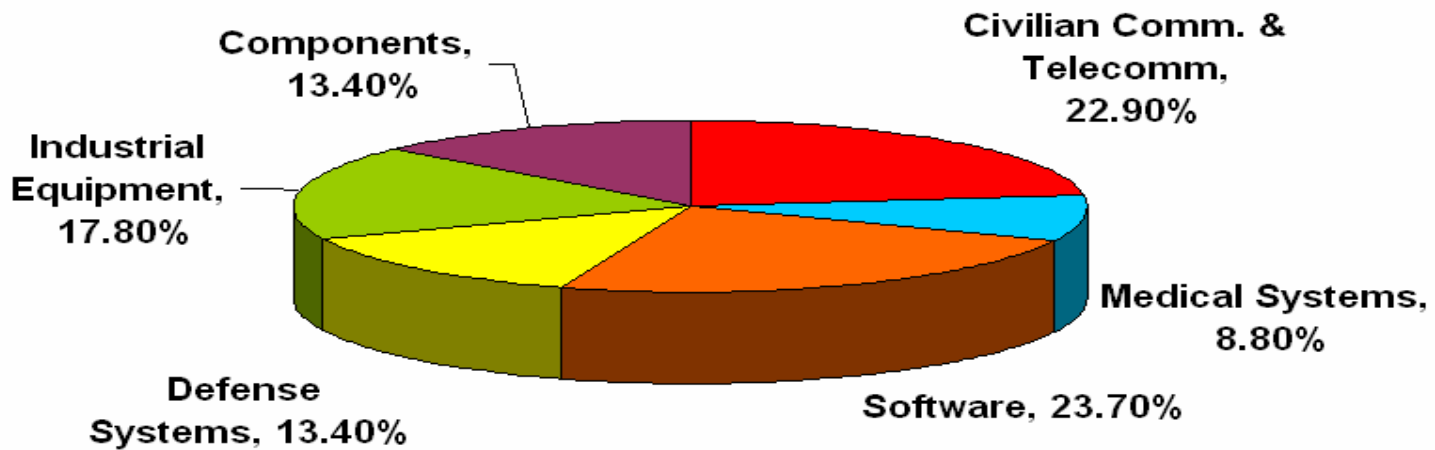
R.O.W, 5%





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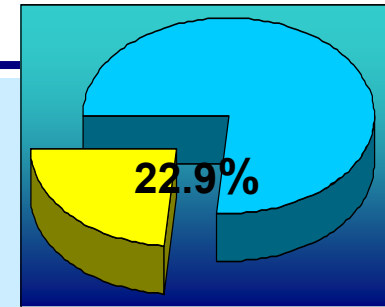
Israel Electronics & Information Industries



Telecommunications

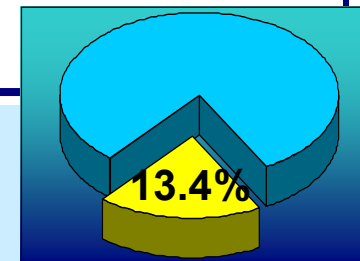
Equipments

Fiberoptic & Photonic Systems
SDH, SONET
Access - XDSL
ATM, Frame Relay
IP Networks – Voice, Video, Data, Multimedia
Routers, Load Balancing
Test Equipment, Quality Monitoring of Networks
3G Applications
Home Network
Storage Area Networks
Wireless Local Loop, Microwave
VPN, Firewalls
Video- Compression, Video-Conferencing & Video
Networks



Major Military Systems

Missiles and Guided Weapons
Anti Aircraft and Anti – Missiles Systems
Radars – Airborne, Naval, Ground
EW Equipments
Routers, Load balancing
Test Equipment, Quality Monitoring of Networks
3G Applications
Home Networks
Storage Area Networks
Wireless Local Loop, Microwave
VPN, Firewalls
Video-Compression, Video-Conferencing & Video
Networks





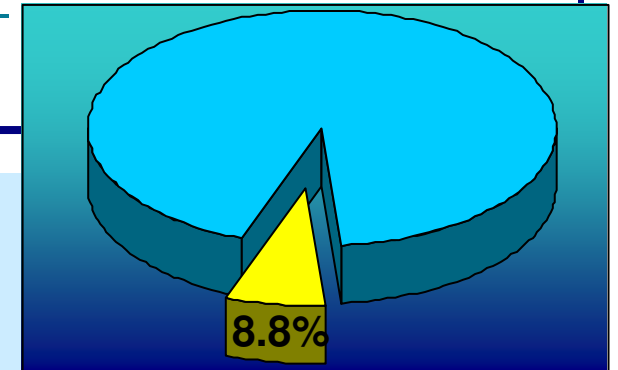
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Major Medical Equipments

Imaging and Diagnostic Equipment

Surgical and Treatment Equipment

Monitoring Systems



Major Industrial Equipments

Computerized Production Equipment

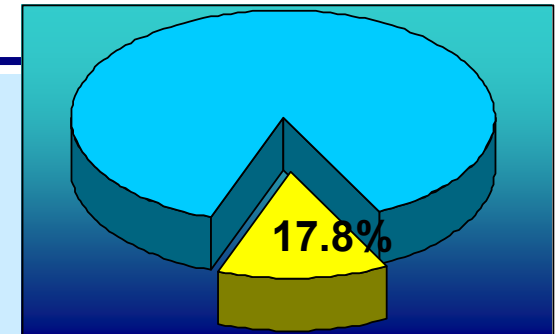
Computerized Control Systems

Test Equipment

Training and Education Systems

Consumer Products

Security Equipment





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Electronic Components

SEMICONDUCTORS

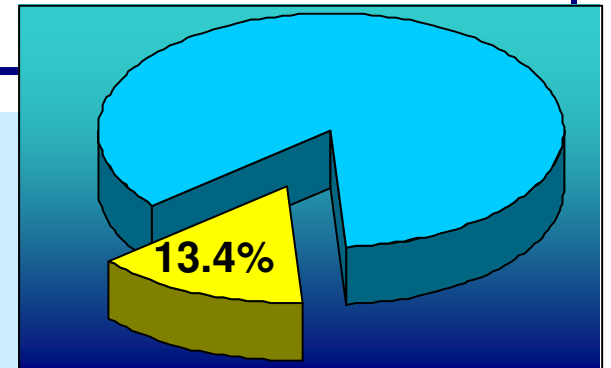
Design Centers
Manufacturing Facilities

PASSIVE COMPONENTS

Resistors & Networks
Capacitors
Transformers
Batteries
P.C. Boards

ACTIVE COMPONENTS

Tubes
Power Supplies
Oscillators
Detectors
Microelectronic Components
Microwave Components



Software

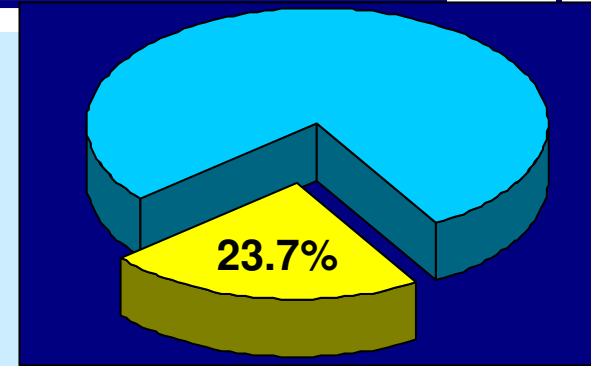
Internet

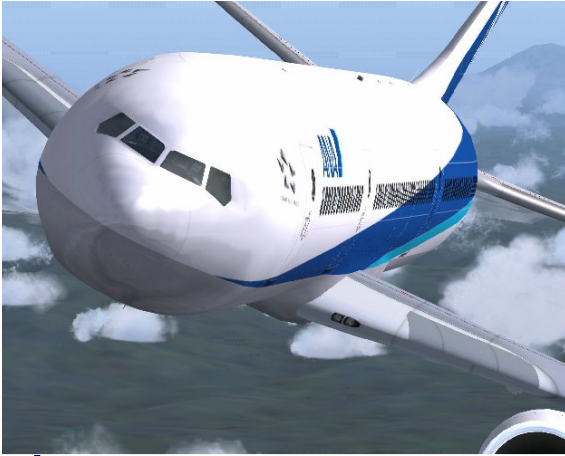
Multimedia

Software - Products

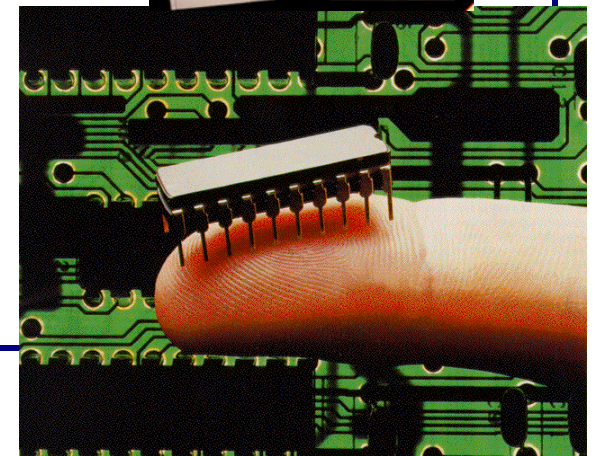
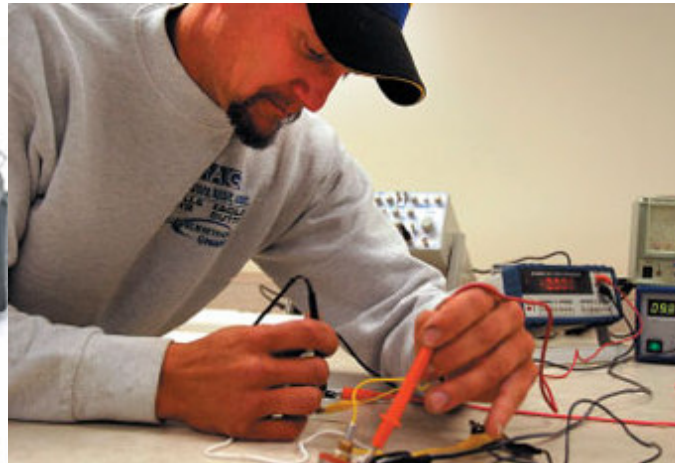
Software – Turnkey Projects

Software – Subcontracting





What's happening in hi-tech?





High Tech Characteristics in Israel

Strengths:

- ***Entrepreneurial Spirit***
- ***Highly Qualified Scientists & Engineers***
 - ***Proven Track Record***

Engines:

- ***Government Support (R&D, Investment)***
- ***Venture Capital***

Results:

- ***Strong R&D***
- ***New Technologies and Applications***
- ***Numerous New Start-ups***
- ***International Involvement (Acquisitions & Subsidiaries)***

Main Fields of Activities:

Telecommunications

Information Technologies

Semiconductors for...

Medical

Conversion of Military Technologies to Civilian Products.

Mobile, 3G, Lte, Broadband,
Wi Fi, Internet, Data Comm.
Security, wi Max

Fabless

New Applications to Reduce
Health – Care Cost



CRAIG BART: former Intel CEO (visiting Israel)



“Apart from the 6,000 jobs that we have provided here, in my opinion the contribution to Israel lies in the fact that Intel has attracted other companies to invest in Israel and to create an entrepreneurial environment. Globally speaking, Israel is in 3rd place in terms of IP and is a very good place for opening businesses. The level of education in Israel has helped us expand. Israel’s ability to supply very good scientists has helped us, and the government’s positive attitude has helped us attract investments.”

Bill Gates, the Microsoft CEO, made his first trek to Israel



“Considering the density of Israeli start-ups and local successes, Israel is like a bit of Silicon Valley.

Major Multinational Companies with a Design Center in Israel



Never stop thinking.



Some of Israel's Visible Companies





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Buffett Takes a Cut of Iscar
The Israel-based manufacturer, with estimated revenues of \$1.4 billion,
enters the limelight thanks to an acquisition by Berkshire Hathaway



Asked how come he chose Israel as his first investment outside America, Buffett's response was: "Some Americans came looking for oil, so they didn't stop in Israel. We came looking for brains, so we did stop in Israel."

What do we need to continue our success?

- 1) **Excel in our education – aspire to being the best in the world.**
- 2) **Keep raising the bar in education.**
- 3) **Teach innovation and creativity.**
- 4) **Strengthen partnerships between academia and industry.**
- 5) **Support sophisticated, small (20 50\$M) industries – if want to be large, gather together many small... you.**
- 6) **Government support should match or even exceed other countries' incentive plans.**

Keep pushing!



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