

Business in Israel

Israel is a remarkable success story for British exporters. Although the country is about the size of Wales, UK exports to this market have grown steadily. Bilateral trade has consistently been in excess of £2 billion over the last 10 years and should reach £3 billion by 2015.

What are the opportunities?

In recent years Israel has seen a lessening of Governmental involvement in the business world as many previously Government owned companies have now been transferred into private ownership. Add this to its high tech capabilities, and Israel can definitely be seen as the land of opportunity. In traditional trading sectors such as healthcare, transport, communications, and agriculture there are many good opportunities for UK businesses.

Recent finds of natural gas off the Israeli coast are a potential game changer for the economy in particular and Israel in general. It is difficult at this stage to estimate the repercussions on both the geo-political and economic levels but they could be immense. The Leviathan gas field, coming shortly after the gas finds in the Tamar field, will provide Israel's gas requirements for the next 100 years and still allow Israel to join the energy exporting countries. This after 60 years of assuming that Israel's only natural resource was its people. There is also a very good chance that oil will be discovered under these gas fields. Israel will be looking to foreign companies for the development of this new sector and UK companies are well placed to take advantage with their knowledge and experience.

Life Science sector in Israel

Overview

The Israeli Biotechnology Industry is growing fast and has the potential to be one of the world leaders in this field. Israel enjoys a strong entrepreneurial culture, which enables new ideas to be nurtured and developed. The Israeli Life Science Industry is still young, yet expanding and exuberant. Of the existing 1,000+ companies, some 80% were founded during the last decade. Israel is now Britain's 3rd largest export market in the Middle East, and 28th largest export market worldwide. The Israel business community is familiar with UK business practice, there is no language problem and there exists a free trade agreement between the EU and Israel. Furthermore there are no barriers to business and Israel's commercial law is rooted in English law.

Opportunities

This is a young and fast growing industry, and the number of new companies being created is relatively constant, as can be seen from the fact that over 100 new companies have been established in the last 2 years. While Biotech companies take longer to develop marketable products than in other high tech sectors, the rewards are bigger and last longer. The major sectors are:

- Diagnostics
- Drug Discovery
- Cell & Tissue Therapy
- Genetics
- Immunology and Biomaterials

The main industry drivers are:

- Active Technology Transfer companies
- Commercialised defence technologies
- Strong entrepreneurial spirit
- Powerful VC community
- Highly skilled workforce
- A high per capita expenditure on R&D
- Government and institutional incentives

Source: UK Trade & Investment (<http://www.ukti.gov.uk>)

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