



ISRAEL AS A MARKET



September 2021

FICC- Short Overview

- Founded in 1919.
- Umbrella organization.
- Over 5,000 businesses and organizations.
- Public, independent, non-profit entity.
- Promotes business sector.
- 100 sub-sector divisions, including importers, exporters, retailers and wholesalers.
- Represent our members' interests to various official entities.



International Trade Relations Division

One-Stop Business Resource, Promoting International Trade

Global Partners
Network

POC for Foreign
Companies and
Organizations

Seminars,
Conferences and
Forums

Business
Database

Distributing
Business
Opportunities

Consulting and
Export
Promotion

Collaboration and Assistance Interfaces

- Exchanging business opportunities
- Guidance on standardization/ customs / regulations
- Facilitate delegations and trade missions
- Coordinate seminars, round tables and conferences
- Match-making services- B2B meetings and site visits
- POC in Israel
- Host high-profile representatives
- Business data-center
- Publications and newsletters
- Capacity building workshops

WHY EXPORT TO ISRAEL? TOP 5 REASONS

- 1. Strong economy / high population growth (2050 – 17 million people)**
- 2. Developed economy, crowded and sophisticated market – all international companies are here**
- 3. Strong purchasing power / strong currency (the NIS)**
- 4. Good Business Culture – English speakers, early adaptors**
- 5. Easy logistics – 70% of population is within one hour's drive from TLV, only need to find one strong local partner**

ISRAEL AT A GLANCE



Population	+ 9 million
Population growth rate:	1.9%
Religious Affiliation:	75% Jewish, 17.5% Muslims. 2% Christian (mostly Arabs) and 1.6% Druze
Official Languages:	Hebrew and Arabic
Government:	Parliamentary Democracy
Year of Independence:	1948
GDP:	About \$350 billion
Per capita GDP	\$43,000
Geography	Crossroads for 3 continents, bordering the Mediterranean Sea, between Egypt and Lebanon
Leading Industries	ICT, Pharma, Life Sciences, Defense & Aerospace, Smart Cities, Water Technologies
Size	8,019 mi ² , 263 miles north to south, roughly from New York City to Syracuse

THE ISRAELI ECONOMY IN THE LAST DECADE

	2010	2020	Change %
GDP (B\$)	234	402	72%
Business Product (B\$)	174	293	68%
Private Consumption (B\$)	186	297	60%
Product Per Capita (PPP)	\$30,705	\$41,560	35%

SUSTAINING THE STABILITY

	2016	2017	2018	2019	2020
Inflation (%)	-0.2	0.4	0.8	0.6	-0.7
Interest Rate (year end)	0.1	0.1	0.25	0.25	0.1
\$ / NIS (year end)	3.83	3.5	3.75	3.56	3.25
€ / NIS (year end)	4.04	4.15	4.27	3.99	3.95
Unemployment Rate	4.8	4.3	4.1	3.8	18.2

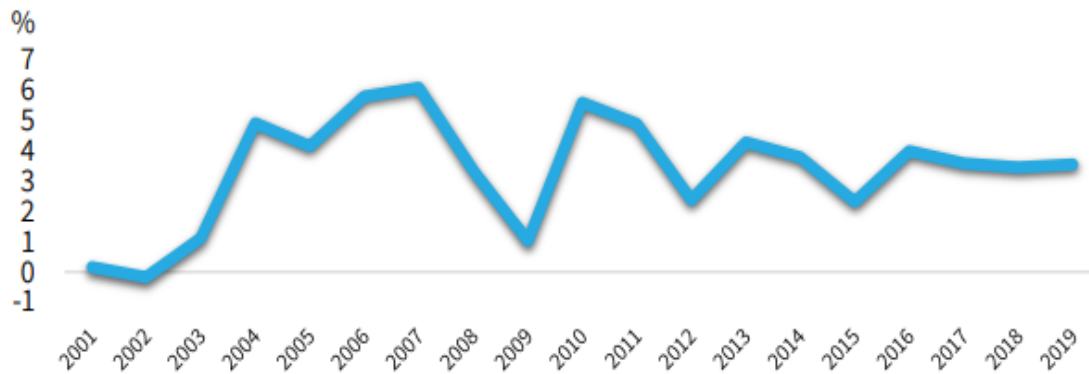
SUSTAINING THE STABILITY

	2016 (%)	2017 (%)	2018 (%)	2019 (%)	2020 (%)
Debt to GDP	62	60.5	60.9	59.9	72.6
External Debt to GDP	8.4	8.2	9.1	8.1	12.3
Local Debt to GDP	53.6	52.3	51.8	51.8	60.3
Budget Deficit (% of GDP)	-1.9	-2.1	-4.3	-4.5	-11.8

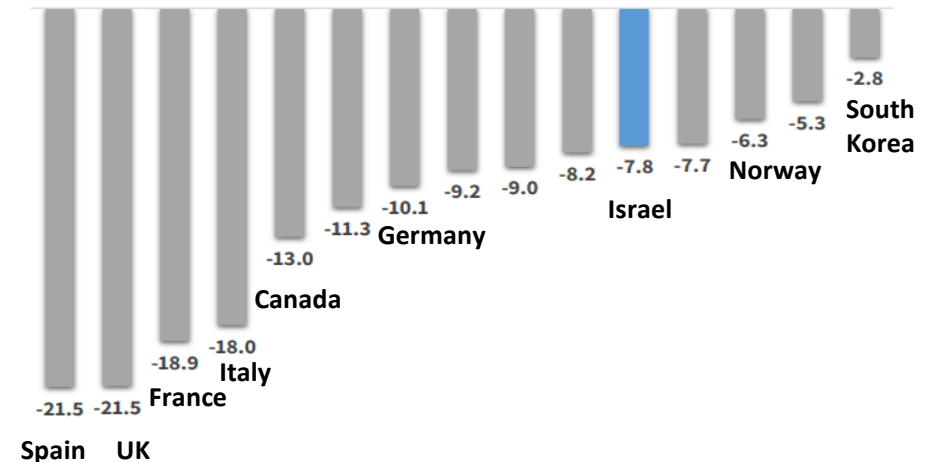
COVID-19 Impact on the economy

■ The Israeli economy entered the crisis in a relatively good position.

GDP has grown at the potential rate in recent years



■ The impact on GDP growth in Israel is low in international comparisons



Vaccination nation

The Economist

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Weekly edition

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Middle East & Africa

Fine needlework

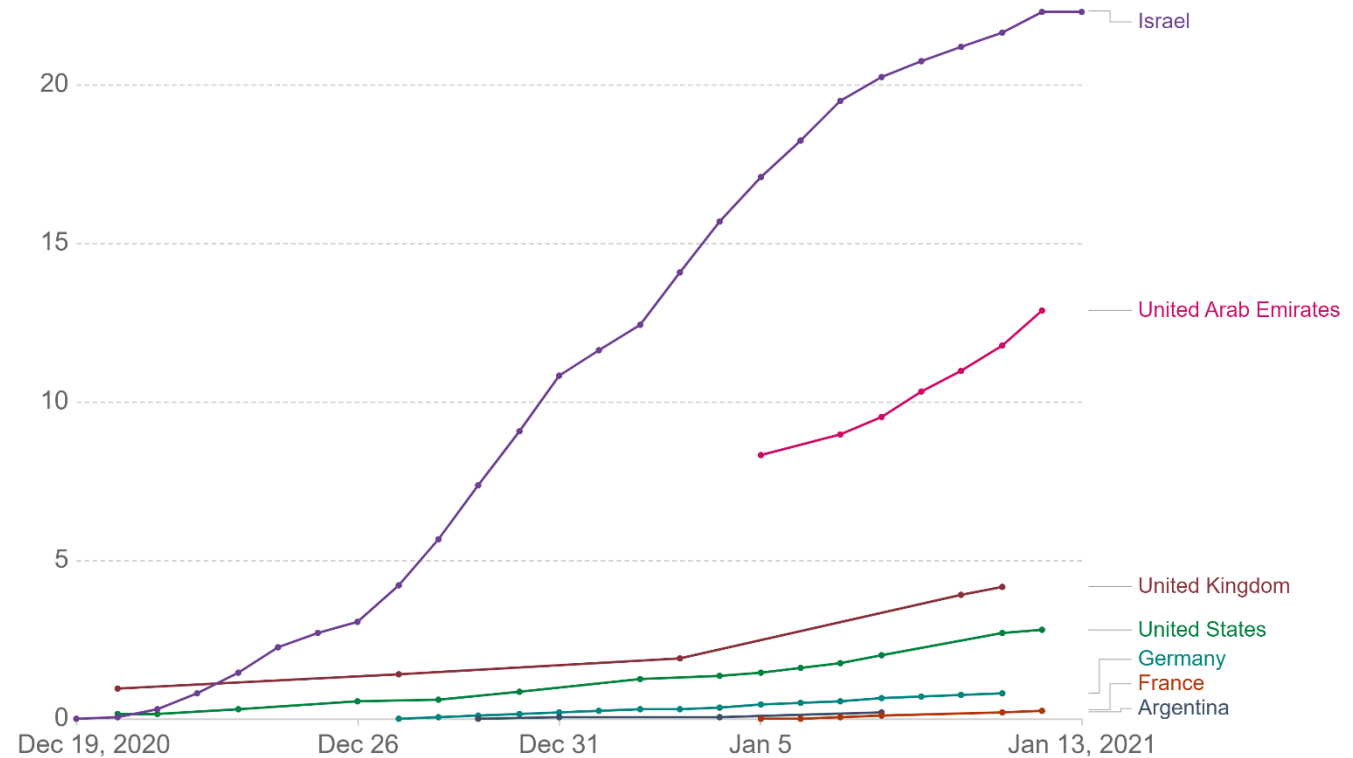
Israel's covid-19 vaccination campaign leads the world

What can other countries learn from its efforts?

Cumulative COVID-19 vaccination doses administered per 100 people

This is counted as a single dose, and may not equal the total number of people vaccinated, depending on the specific dose regime (e.g. people receive multiple doses).

Our World in Data



Source: Official data collated by Our World in Data – Last updated 13 January, 10:10 (London time)

CC BY

Israel High-Tech Industry at a Glance

Israel High-Tech Industry at a Glance – 2010-H1/2020



More than **10,586** start-ups
established



\$55.13 billion was raised by
Israeli high-tech companies



\$16.95 billion was raised by
Israeli VC Funds, mostly from
foreign investors



M&A: **\$113.36** billion
IPO: **\$4.55** billion



NASDAQ: **99 Israeli** high-tech
companies are listed

Israel High-Tech Industry at a Glance

Israeli High-Tech Ecosystem

From Seed to Leading Global Companies

Investors - Angels, Accelerators, Incubators, VC & PE funds, CVCs, Strategic and financial Investors, family offices.

Source of Financing - from seed to growth, including crowd financing, general and specialized by sectors and stage of development, VC & PE funds, Secondary funds

Seed - 460 active incubators and accelerators are responsible for nurturing the youngest pre-seed innovative tech companies.

164



Israeli VC
Funds

378



MNCs &
R&D centers

71



Hubs

391



Accelerators

56



Innovation
Labs

24



Incubators

MAJOR INDUSTRIES

Traditional Industries

- Diamonds
- Automotive machinery
- Food Processing
- Chemicals
- Plastics
- Agricultural machinery

Advanced Industries







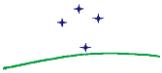

- Pharmaceutical
- Homeland Security
- Electro-optics
- Electronics
- Medical diagnostics
- Biotechnology
- Hi Tech: Computers,
- Cyber Software & internet



GLOBAL PLAYER, HUB FOR EXPORT

Israel's Foreign Trade

ISRAEL'S TRADING PARTNERS

1985		USA
1992		EFTA
1997		Turkey
1997		Canada
1999		Mexico
2000		European Union (Association Agreement)
2010		Mercosur
2020		Colombia

- As a whole, the EU is Israel's largest trading partner, though the U.S. is the largest single country.
- Israel pursues FTAs and international economic cooperation, and joined the OECD in 2010.
- Israel is diversifying its trading relationships with by emphasizing trade with China, Brazil and India.

TRADE SURPLUS 2020 (\$M)

	Import	Export	Balance
Goods*	67,506	55,382	-12,124
Services	25,707	53,849	28,142
Diamonds	3,370	4,798	1,428
Total	96,583	114,029	17,446

* Including agriculture

Source: CBS

Imports by Commodity Groups (MILLION \$)

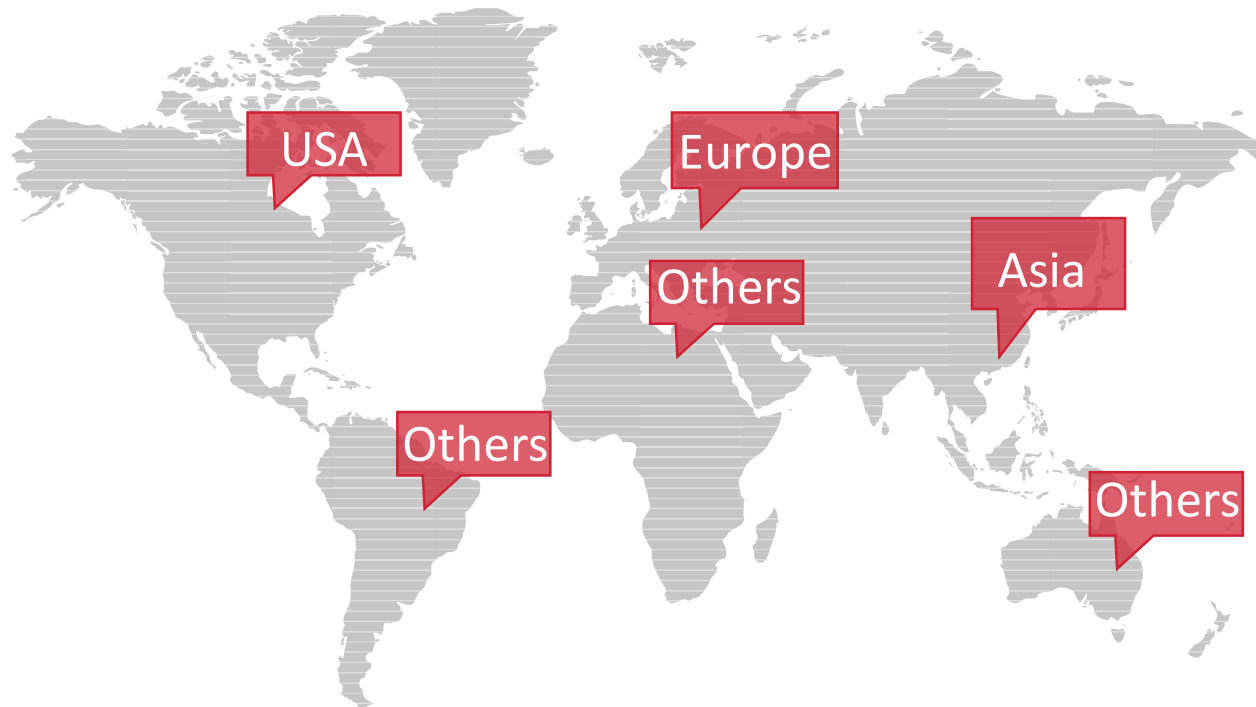
	Diamonds	Fuels	Investment goods	Consumer goods	Raw materials
2020	3,368	5,611	11,401	16,264	32,259
2019	4,704	9,286	11,856	15,496	31,837
2018	5,684	9,838	12,621	14,716	30,872
2017	6,532	5,843	11,679	13,334	27,076

Exports By Commodity Groups (MILLION \$)

	Diamonds	Agriculture, forestry and fishing	Manufacturing, mining & quarrying
2020	4,798	1,031	43,535
2019	4,844	1,124	46,070
2018	6,828	1,145	46,347
2017	6,726	1,217	45,231

IMPORT OF GOODS FROM MAJOR COUNTRIES - 2019

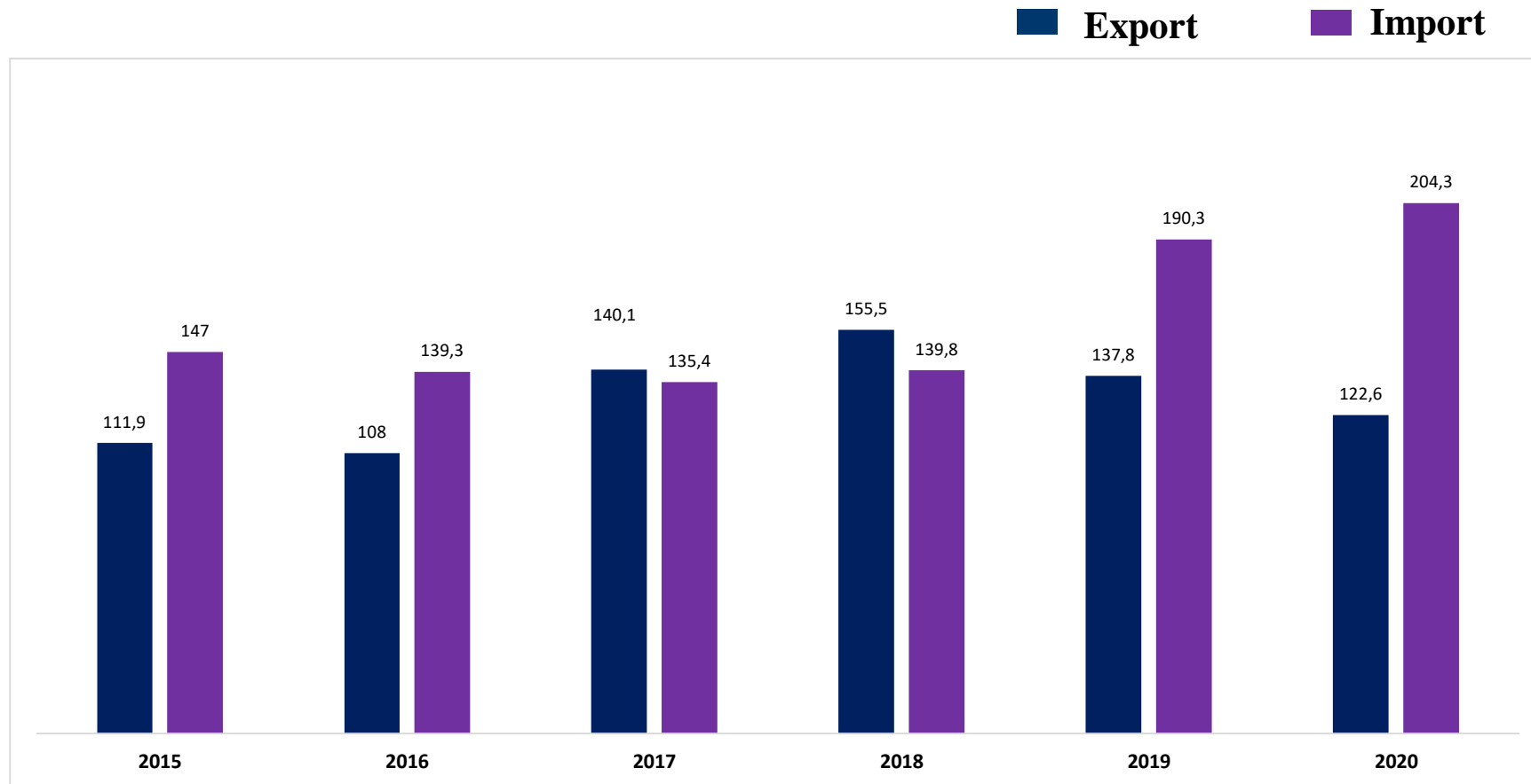
100% = \$76.6B



1	Europe	48%
2	Asia	22%
3	USA	16%
4	Others	14%

¹ Including diamonds, excluding defense imports and imports from the Palestinian Authority

ISRAEL – ARGENTINA TRADE IN GOODS (M\$ Excl. Diamonds)



* Including agriculture

Source: CBS

EXPORT OF GOODS FROM ISRAEL TO ARGENTINA 2020

100% = \$122.6M

Chemical Products	34%
Plastics	27%
Machinery, Electrical equipment	21%
Optic Machinery	7%
Textiles and textile articles	4%

Source: CBS

*Electronic components and boards, measuring, testing, navigating and control equipment, communication equipment

IMPORT OF GOODS FROM ARGENTINA TO ISRAEL 2020

100% = \$204.3M

Live animals & animal products	80%
Prepared foodstuffs, beverages & tobacco	9%
Vegetable products	8%

Source: CBS

*Cellular, communication, computers, Television, camera etc.



CHAMBERS OF COMMERCE

Exporting to Israel: The Israeli Market

- Israel is a mature market in many sectors and foreign companies will face significant local and international competition.
- The Israeli market is a very complex and competitive market with as many threats as opportunities.
- The market is very dynamic: market structures change constantly and buying motives are today different from those of 5 years ago.

Exporting to Israel: Distribution and Sales Channels

- Distribution methods vary by type of product.
- Roughly 40% of Israel's 7.8 million people are concentrated in the greater Tel Aviv metropolitan area, Israel's commercial and financial center.
- Consumer malls and shopping centers are popular in Israel. Over 200 malls and shopping centers exist and others are planned.

Exporting to Israel: Transportation & Logistics

- Shipping by sea to Israel takes approximately 14 days including land transportation. This affects supply time and costs.
- When shipping by air you can reach Israel from any point in the EU in approximately 1-2 days.
- The cost of shipping by sea from the US in comparison to Europe is about 30% higher.
- The cost of shipping by air on the other hand is relatively cheaper due to the high capacity of flights.



Import Opportunities

- Automotive Aftermarket Parts & Equipment
- Electricity and Energy
- Food & Beverages
- Clothing & footwear
- Transportation
- Intelligent systems
- Infrastructure
- Electronic Components
- Medical Equipment and Instrument
- Telecommunications
- Aerospace and defense
- Health and life sciences
- ICT
- Clean technologies

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Examples For Import Inquiries

Company information	Sector	Type of Assistance needed
largest drugstore chain in Israel with an annual turnover of \$1.5B yearly including 260 stores. Digital & Innovation Division is currently looking for “in store experience” new technological solutions for their stores and E-commerce	Retail & retail tech	Sourcing- smart shelves, cosmetic mirrors, failure detection cameras for customer service measurement etc.
Israel Railways company	Infrastructure, tech	Sourcing- (1) A railroad complex management system (2) smart app solution for the drivers (3) Passenger experience tech, like smart station or safety (4) Predicted maintenance – infrastructures, railroad tracks, carriage, locomotives etc.
Largest Food Chain Store in Israel looking for food exporters for PL	Food retail	Sourcing suppliers, warm introductions
Israeli Importer looking for US cosmetic brands to exclusively distribute in Israel	Cosmetics retail	Warm introductions with US companies
Importer of Prosthetics devices interested in representing a US company in Israel	Medical equipment	Warm introduction with US company

Israel's Infrastructure market

THE TIMES OF ISRAEL

THE BLOGS
James Galfund

Exploring Israel's Biggest Infrastructure Project Ever, 82 Ft Below Street Level

SEP 20, 2018, 7:08 PM

FACEBOOK

TWITTER

EMAIL

PRINT

0 SHARES



THE TIMES OF ISRAEL

PM's economic adviser: Invest natural resources income in Israeli infrastructure

National Economic Council chairman Prof. Avi Simhon calls for change in law to allow funds to be devoted to local programs, not invested overseas as planned

12.08.2020

A A A

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Property Management

Israel Port Community System

International Tenders and RFIs

Category	Tender Number	Name	Deadline Submission	Publication Date	Status
	7/20	Tender No. 07/20 For Providers In The Field Of It Software Expert Services And Manage For Israel Ports- Development And Assets Company LTD	06/09/2020 12:00	02/08/2020	Open

ices 15/5142/10/19 T
ices 10/20 T
nationalTendersRFI.aspx T

GLOBES

Infrastructure projects worth NIS 196b in gov't pipeline



Minister's Office is designed to improve control and to

CHAMBERS OF COMMERCE

Opportunities in Israel

Automotive Aftermarket Parts & Equipment

- To service 2.5 million vehicles on the roads
- 600–700 importers of aftermarket products
- 20 local manufacturers

Source: CBS and Central bank of Israel, OECD

Opportunities in Israel

Medical Equipment and Instruments

- Dental care, eye laser surgery and plastic/aesthetic surgery are well-developed private sectors.
- General healthcare and medical tourism
- Imaging, Cardiology, Plastic surgery, Dentistry, technologies for wound and
- pain management, physiotherapy, as well as single use products, and diagnostics.

Source: CBS and Central bank of Israel, OECD

Opportunities in Israel

Electricity and Energy

- Wide variety of domestic projects and technology development.
- Israel is a world leader in solar power bio fuels and electrical vehicle systems.
- Independent Power Production (IPPs) expected to increase rapidly over next several years.
- Israel is rapidly developing several world-leading national gas discoveries.
- Of most interest: cogeneration equipment, natural gas infrastructure, power generation, transmission and distribution equipment.

Source: CBS and Central bank of Israel, OECD

Opportunities in Israel

Homeland Security and Defense

- Well-developed and sophisticated market.
- Often defense procurements made under FMS (Foreign Military Sales).
- One of Israel's fastest growing export industries.
- Of most interest: high-end equipment and components that can be integrated into Israeli systems.

Source: CBS and Central bank of Israel, OECD

Opportunities in Israel

Electronic Components

- The Israeli electronics market for the first time almost reached the \$1 billion mark with a market worth of \$997 million.
- As a developed technology market, Israel is always looking for innovative technologies and components to enhance product technical features.

Source: CBS and Central bank of Israel, OECD

Opportunities in Israel

Telecommunications

- Among the world's highest mobile and household broadband penetration rates.
- Over the next five years, the majority of growth in the Israeli telecom market will arise from fixed and mobile broadband, VoIP, and pay-TV.

Source: CBS and Central bank of Israel, OECD

Opportunities for joint ventures with Israeli tech companies



Export Opportunities

- Medical Equipment
- Agricultural Equipment
- Cosmetics
- Homeland security
- Plastic
- Textile
- Chemicals
- Semiconductor
- Cyber
- ICT
- Fintech



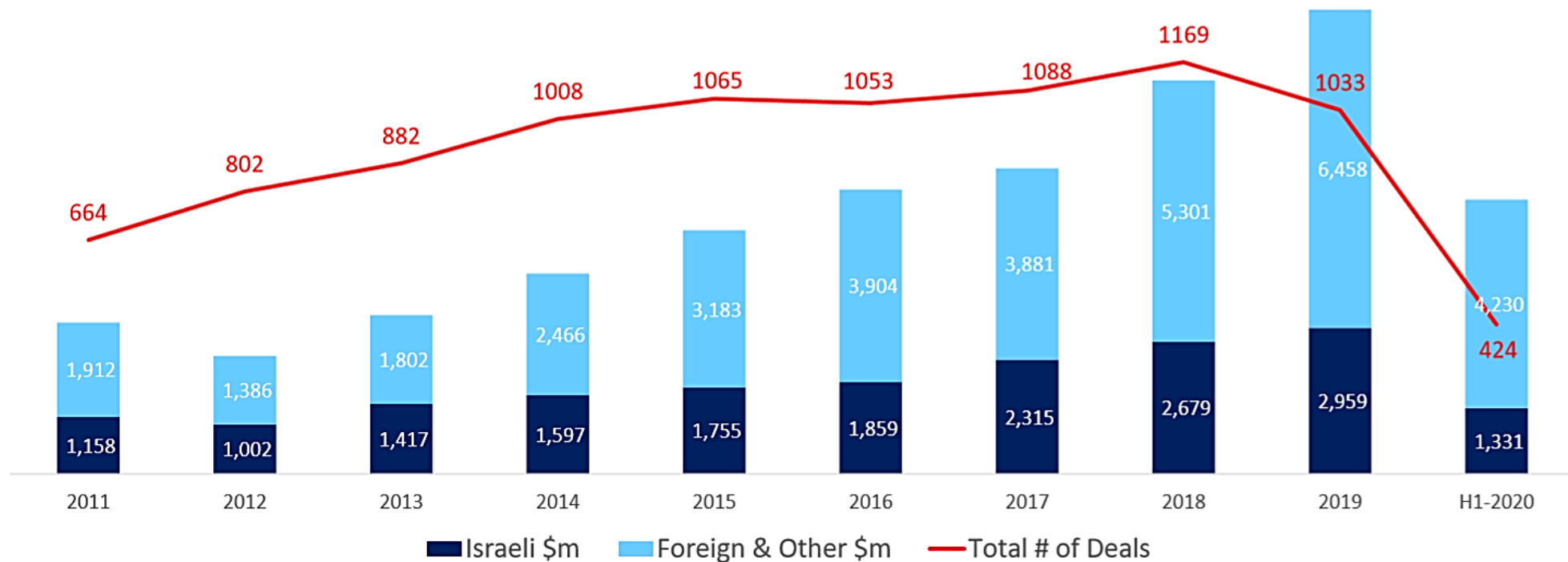
Israel's High Tech Industry Highlights

- First in the world for business investment in R&D as % of GDP
- More than 300 global multinational companies in Israel
 - WAZE an Israeli map app: was purchased by Google for \$1.15 billion in 2013
 - Mobileye is an Israeli technology company that develops vision-based (ADAS) providing warnings for collision prevention and mitigation. In March 2017, Intel announced their recent deals to buy Mobileye for \$15.3 billion
- 45% of Israel's exports being high technology goods and services
- More than 1,000 new start-ups each year
- \$5.3B capital raised by Israeli hi-tech companies in 2017

ISRAELI HIGH-TECH CAPITAL RAISING

Capital Raising By Startup Companies 2011-H1/2020, \$m, # of Deals

Foreign investors more than 65%



LEADING HIGHTECH INDUSTRIES



Health & Life Sciences

Israel is ranked 1st for Medical Device patents and 2nd for Medical Device solutions per capita.

Notable companies: Teva, Insightec, Edinol.



Cyber Security Industry

Israel is a world-class leader in Cyber Security, with annual exports of more than 3 Billion USD. The Israeli Cyber Security ecosystem is estimated to represent 7% of global sales and 8% of global investments.

Notable companies: Check Point, CyberArk, Radware.




Water Technologies

Israeli systems account for 50% of the world's low-pressure irrigation systems.


The Israeli Water Technologies ecosystem is taking agriculture to the next level, making the reduction of water consumption possible world-wide.

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Our Vision

The FICC strives to promote the business sector in Israel by endorsing the market economy and free competition, combating protectionism and preferential treatment of sectors, removing barriers and reducing bureaucracy.

More



Business Opportunities from Israel

Branch

Activity

Subject

Country

Date

Number



THANK YOU!