

EMBASSY OF ISRAEL TO LATVIA AND LITHUANIA

# ECONOMICAL AND BUSINESS DATA OVERVIEW

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ISRAEL

**ECONOMICS AND BUSINESS NEWS  
LATEST STATISTICAL DATA  
INFORMATION FROM ECONOMICS DEPARTMENT**

*May, 2010*

# ECONOMICS AND BUSINESS NEWS

## ECONOMIC DEVELOPMENT

### Sources:

Ministry of Finance,

The International Affairs Department, Israel:

<http://www.financeisrael.mof.gov.il>

Ministry of Industry, Trade and Labor, Israel:

<http://www.moital.gov.il>

Central Bureau of Statistics (CBS), Israel:

<http://www.cbs.gov.il>

Ministry of Foreign Affairs, Israel:

<http://www.mfa.gov.il>

The Federation of Israeli Chambers of Commerce (FICC):

<http://www.chamber.org.il>

ISRAEL21c – a non-profit educational foundation with a mission to focus media and public attention on the 21<sup>st</sup> century Israel that exists beyond the conflict:

<http://www.israel21c.org>

Port2Port – Israel's Trade Portal:

<http://www.port2port.com>

### **BIOMED Israel 2010 – a Meeting of Biotech Minds**

*(Ministry of Foreign Affairs & ISRAEL21c)*

*Israel's annual Biomed conference is the second largest in the world and has been instrumental in closing multi-million dollar deals.*

About 7,000 people are expected to converge on the David Intercontinental Hotel in Tel Aviv from June 14 to 16. More than 1,000 of these guests will be from outside Israel, representing some 35 different countries, with the majority of foreign visitors expected hailing from the US.

Visitors can anticipate exchanging business cards, or at least brushing elbows, with some of the world's most sought-after opinion leaders. Keynote speakers from the US are to include Dan Zabrowski, head of pharma partnering from Roche; Robert Huffines of JP Morgan and Chase, Dr. Harlan Weisman, chief science and tech officer from Johnson & Johnson, and Dr. Rachel Humphrey, VP of development for Bristol Myers-Squibb.

"These are really the top hotshots," says Donitza. And it's no surprise that there is interest in Israel from these American leaders.

Over the past decade and more, the US has enjoyed a symbiotic relationship with Israel's active biotech industry. Israeli researchers at leading research universities such as the Weizmann Institute, Hebrew University and Tel Aviv University fuel the biological science, which is often incubated through US partnerships, business advice, funds, and of course the much-desired US Food and Drug Administration's approval process.

It's a win-win for Americans as well, who benefit from Israeli biotech innovation and its financial dividends.

Drugs like the unique immunomodulator therapy copaxone, for the treatment of multiple sclerosis, developed by Israeli Prof. Ruth Arnon at the Weizmann Institute, and the camera-in-a-pill made by Israeli company Given Imaging, have changed the approach to the practice and diagnostics of internal imaging in the US.

***The Embassy of Israel to Latvia and Lithuania would like to take this opportunity to inform that Minister of Economy of the Republic of Lithuania Mr. Dainius Kreivys and Lithuanian business delegation will take participation in the above conference.***

*Read more about the conference Biomed 2010:*

[http://www.mfa.gov.il/MFA/Israel+beyond+politics/ILSI\\_Biomed\\_Israel-meeting\\_biotech\\_minds\\_23-May-2010.htm](http://www.mfa.gov.il/MFA/Israel+beyond+politics/ILSI_Biomed_Israel-meeting_biotech_minds_23-May-2010.htm)

**May 10, 2010 - Israel invited to join the Organization for Economic Co-operation and Development (OECD).**

*(Ministry of Foreign Affairs & Ministry of Finance)*

The unanimous decision, taken by the 31 member-states, recognizes Israel's achievements, economic strength and ability to contribute to the organization and to the world's economy.

The accession negotiations were led by the Foreign Ministry. An additional team for professional subjects was headed by the Ministry of Finance.

In order to maximalize Israel's connections with the organization, the Foreign Ministry is currently establishing Israel's Delegation to the OECD. The Delegation will operate out of the Embassy in Paris, and the Ambassador to UNESCO will be Israel's Ambassador to the OECD, in addition to his other duties.

During the three year review process that checked compliance with OECD standards and benchmarks, OECD experts closely examined the policy and functioning of government offices, governmental authorities and the public sector and also met with representatives of economic and social organizations, universities and NGOs. Following this review process, recommendations on improvements and efficiencies were made.

Becoming a member state of the OECD will lead to economic advances and enhance Israel's image, as well as improving the functioning of various sectors in Israel's society and economy, including in the fields of environment, education and employment. The improvement and upgrading process will continue even after Israel joins the OECD as part of the government's commitment to ongoing peer review by the organization and to adjust its regulation policy to the standards held by member-states.

*Press Release by the Ministry of Foreign Affairs:*

[http://www.mfa.gov.il/MFA/IsraeliEconomy/Economic\\_News/FM-Liberman-welcomes-OECD-resolution-10-may-2010.htm](http://www.mfa.gov.il/MFA/IsraeliEconomy/Economic_News/FM-Liberman-welcomes-OECD-resolution-10-may-2010.htm)

*Press Release by the Ministry of Finance:*

<http://www.financeisrael.mof.gov.il/FinanceIsrael/Docs/En/pressReleases/20100510.pdf>

*Read more in the OECD website:*

[http://www.oecd.org/country/0,3377,en\\_33873108\\_39418575\\_1\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/country/0,3377,en_33873108_39418575_1_1_1_1_1,00.html)

**Israel & Croatia signed an agreement on customs cooperation.**

*(Port2Port – Israel's Trade Portal)*

The agreements aim to increase economic cooperation between Israel and Croatia, which is in the advanced stages of joining the European Union.

May 17, 2010 - Croatian Foreign Affairs and European Integration Minister Gordan Jandrokovic and Israeli Minister for Foreign Affairs, Avigdor Liberman, signed in Jerusalem an amendment to the trade and economic cooperation agreement as well as an agreement on customs cooperation. The agreements aim to increase economic cooperation between Israel and Croatia, which is in the advanced stages of joining the European Union.

*Read more:*

<http://www.port2port.com/Index.asp?CategoryID=46&ArticleID=2482>

**IMD 2010 World Competitiveness Yearbook rankings: Israel is ranked 17<sup>th</sup>.**

*(Port2Port – Israel's Trade Portal)*

May 24, 2010 - Israel is up from 24<sup>th</sup> place in 2009. Singapore and Hong Kong have for the first time in decades, topped the USA.

Singapore (1) and Hong Kong (2) have for the first time in decades, topped the USA (3) in IMD's World Competitiveness Yearbook rankings of 58 countries.

The IMD World Competitiveness Yearbook (WCY) is the world's most renowned and comprehensive annual report on the competitiveness of nations, ranking and analyzing how a nation's environment creates and sustains the competitiveness of enterprises.

In the first 10 places: Australia (5), Taiwan (8) and Malaysia (10) also benefit from strong demand in Asia. Switzerland (4) maintains an excellent position characterized by strong economic fundamentals (very low deficit, debt, inflation and unemployment) and a well-defended position on export markets. Sweden (6) and Norway (9) shine for the Nordic model, although Denmark (13) surprisingly loses ground, in particular due to the pessimistic mood expressed in the survey.

Israel is ranked 17<sup>th</sup> in the IMD World Competitiveness Yearbook 2010 rankings, up from 24<sup>th</sup> place in 2009. Israel is ahead of China.

The International Institute Management Development (IMD) at Lausanne, Switzerland, ranked Israel in first place in several categories, including its economy's soundness in the face of economic crises and in the functioning of its central bank.

The World Competitiveness Report ranks the 58 countries on 327 variables grouped into four competitiveness factors: economic performance, government efficiency, business efficiency, and infrastructure.

Hard data are taken from international or national organizations, private institutes and partners, and survey data are drawn from the annual Executive Opinion Survey of 4,460 respondents. The Federation of Israeli Chambers of Commerce is World Competitiveness Report's representative in Israel.

**Bank of Israel: May state of the economy index down 0.1%.**

*(Port2Port – Israel's Trade Portal)*

The Bank of Israel's working assumption is that growth is continuing, albeit at a slower pace.

According to figures published by the Bank of Israel, the new Composite State of the Economy Index fell 0.1% in May, and 0.5% in February-May.

The Bank of Israel Research Department stated that the decline in the index reflects slower growth this year. The department also said that the figures in recent months deviated from the long-term growth trend. The Bank of Israel's working assumption is that growth is continuing, albeit at a slower pace.

The index is a synthetic cyclical indicator for examining the direction in which real economic activity is moving, in real time. It is calculated from the monthly changes in seven components that reflect different aspects of real economic activity, i.e., the indices of manufacturing production; imports of consumer goods; imports of production inputs; trade and services revenue; the number of employee posts in the business sector; exports of goods (excluding agriculture, fuel, diamonds, and ships and aircraft) and exports of services (tourism, computer and know-how, communications, insurance, and other business services).

The rise was due to a rise in the industrial production index, and the index of revenue of trade and services activities. Those rises were offset by a drop in goods exports, and a slight drop in exports of services, and in import indexes.

### **Israel's unemployment rate drops 0.7%.**

*(Port2Port – Israel's Trade Portal)*

#### **Israeli unemployment is likely to drop to 7% in 2010, down significantly from 7.7% in 2009.**

Israel National Employment Service reported that in contrast to a darkening economic picture in the European Union, Israel's labor market continues to recover from the recession. Israel's unemployment picture continued to brighten in the first quarter of 2010.

The Israel National Employment Service reported that the number of unemployed fell 0.7% to 193,800 persons in April 2010 from 195,100 persons in March.

According to the National Employment Service this is the lowest number of unemployed since January 2009.

Government sources added that Israeli unemployment is likely to drop to 7% in 2010, down significantly from 7.7% in 2009. The Bank of Israel expects unemployment to drop to 6.7% in 2011.

The number of jobseekers fell 1.9% to 207,000 in April from 211,000 in March, in seasonally adjusted figures.

The number of jobseekers with college degrees fell 2.1% and the number of jobseekers without higher degrees fell 2.8%.

38.6% of all jobseekers were without work for at least 270 days in the preceding 12 months, constituting the hard-core jobseekers.

### **Consumer confidence index falls in May.**

*(Port2Port – Israel's Trade Portal)*

#### **Israel's consumer confidence index fell 3.9 points in May, after rising for the 5<sup>th</sup> month in a row in April.**

Bank Hapoalim and TNS Teleseker, one of Israel's leading marketing research organizations specializing in quantitative and qualitative research techniques, reported last week that Israel's consumer confidence index fell 3.9 points in May, after rising for the 5<sup>th</sup> month in a row in April. The report noted that "The level of the consumer confidence index remains one of the highest on record and it seems it will require really good news to bring it to a higher level".

The Bank added that "The economic indicators remain good, including an improvement in the labor market, and this is evident in the present situation index, as opposed to growing fears over the future, perhaps on the heels of the developments in the world and the negative trends in the capital markets in light of the difficulties facing Greece and the euro zone".

Israel's economy grew 0.7% in 2009 and is forecast to grow 3.7% in 2010. In the first quarter, growth was an annualized 3.3% while the jobless rate stood at 7.2%.

### **Budget Performance and State Revenue from Taxes for April 2010.**

*(Ministry of Finance)*

May 3, 2010 - According to estimations by the Accountant General, the government had a NIS 1.0 billion budget deficit in April (a NIS 0.7 billion deficit in funding activities, including net credit).

In local activities, the government had a NIS 1.0 billion deficit, whereas in overseas activities there is no deficit at all.

Since the beginning of 2010, government activities have totaled NIS 4.1 billion deficit, out of a framework of NIS 43.0 billion in the annual original planning, and compared with NIS 8.6 billion in the parallel period last year.

The accumulated 12-month-deficit (from May 2009 to April 2010) dropped to NIS 35.5 billion, compared with NIS 47.8 billion in the previous month.

Read full Press Release by the Ministry of Finance:

<http://www.financeisrael.mof.gov.il/FinanceIsrael/Docs/En/pressReleases/20100503b.pdf>

**A delivery system to fight the flu.**  
(ISRAEL21c – Innovation News Service)

**Biopharmaceutical firm NasVax is making waves with its VaxiSome delivery system which helps boost the body's response to a vaccine.**

Flu shots and other vaccinations could be more effective using immunotherapy developed by Israeli company NasVax

Israeli biopharmaceutical firm **NasVax** has signed a deal with Swiss pharma giant Novartis to develop new vaccines together, including influenza-fighting strains. NasVax CEO Erez Chimovits says the agreement "is another major step in realizing NasVax's strategy and vision of creating value by introducing its innovative technologies to the market through collaborations with world-leading vaccine manufacturers".

The understanding, which was inked in late February, will allow Basel-based Novartis, which pulled in over \$36 billion in sales in 2008, to use the NasVax patented VaxiSome delivery system. VaxiSome is an adjuvant technology which helps boost the body's response to a vaccine.

**Collaboration with top European pharma companies**

VaxiSome is used in immunotherapy to fight the body's autoimmune response in inflammatory diseases like lupus erythematosus, which attacks healthy tissue and cells, causing rashes and related ailments. The vaccine can be given via intranasal, intramuscular and subcutaneous methods.

The collaboration with Novartis, as well as an ongoing relationship with Belgium's GlaxoSmithKline Biologicals in immunocal vaccine trials is a "validation that the work we're doing is of development and potential commercial interest that's attractive to the field".

Medical trials held in Israel are recognized by US and European authorities as being held in a location of high quality, where it's less logistically cumbersome to hold an initial clinical trial than it is abroad.

Read more:

<http://israel21c.org/201005227980/health/an-delivery-system-to-fight-the-flu>

**A new spin on the battery span of mobile devices.**  
(ISRAEL21c – Innovation News Service)

An Israeli researcher is working in the spintronics field of nanotech to make existing batteries last 10 times longer and existing processors work 10 times faster.

Today, laptop users are normally tethered to an electrical outlet as batteries only last a few hours. Dr. Amos Sharoni hopes to change all that. Working in a relatively new field of physics called Spintronics, the 38-year-old Sharoni, a condensed matter physicist, is focused on making strides in energy efficiency research at Bar-Ilan's brand new nano center. Based in Ramat Gan just outside of Tel Aviv, the Leslie and Susan (Gonda) Goldschmied Nanotechnology Triplex, which was dedicated in May, will house new equipment purchased for the university that's guaranteed to get nano-researchers salivating.

Read more:

<http://israel21c.org/201005267957/people/a-new-spin-on-the-battery-span-of-mobile-devices>

**Netbook with mobile application.**

*(Business & Baltia – May 18)*

Taiwanese manufacturer "Asus" is planning on releasing netbook with a slot-in mobile phone that will double as a 3G communications module. The phone module will be manufactured by Israeli company "Modu".

**Gaza opens first Olympic-size swimming pool.**

*(Ma'an News Agency - covers Palestinian political, economic, cultural, and sports news from all sections of the West Bank and Gaza Strip)*

Gaza – Ma'an – Gaza's first Olympic-standard swimming pool was inaugurated at the As-Sadaka club during a ceremony on May 18 held by the Islamic Society.

Gaza government ministers, members of the Palestinian Legislative Council, leaders of Islamic and national governing bodies, as well as club members and athletes were among those at the opening ceremony, where Secretary-General of the Islamic Society Nasim Yaseen thanked the donors who helped realize the project....

*Read more:*

<http://www.maannews.net/eng/ViewDetails.aspx?ID=285242>

**Gazans cut through Egypt's border barrier.**

*(BBC news – by Jon Donnison, Gaza)*

...."Millions of dollars worth of goods are smuggled in every month.

Everything from fridges to fans, sheep to shampoo comes through the tunnels. The BBC even obtained video footage this year of whole brand-new cars being dragged through tunnels from Egypt."....

*Read full article:*

[http://news.bbc.co.uk/2/hi/middle\\_east/8664316.stm](http://news.bbc.co.uk/2/hi/middle_east/8664316.stm)

**Hamas refuses to allow flotilla aid into Gaza Strip.**

*(Ministry of Foreign Affairs)*

The State of Israel has loaded 30 trucks with various types of aid found onboard the flotilla. Hamas continues to prevent the transfer of the humanitarian aid which has been unloaded at the Kerem Shalom security crossing. Expired medication, clothing, blankets, some medical equipment and toys were among the aid found on the ships.

During the week of 30 May - 5 June 2010, 484 truckloads (12,413 tons) of aid were transferred from Israel to the Gaza Strip via the land crossings.

*Read more:*

[http://www.mfa.gov.il/MFA/Government/Communiques/2010/Hamas\\_refuses\\_flotilla\\_aid\\_Gaza\\_Strip\\_2-Jun-2010.htm](http://www.mfa.gov.il/MFA/Government/Communiques/2010/Hamas_refuses_flotilla_aid_Gaza_Strip_2-Jun-2010.htm)

*Read also:*

**“Behind the Headlines: The Israeli Humanitarian Lifeline to Gaza”:**

[http://www.mfa.gov.il/MFA/About+the+Ministry/Behind+the+Headlines/Israeli\\_humanitarian\\_lifeline\\_Gaza\\_25-May-2010.htm](http://www.mfa.gov.il/MFA/About+the+Ministry/Behind+the+Headlines/Israeli_humanitarian_lifeline_Gaza_25-May-2010.htm)

# LATEST STATISTICAL DATA

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## BASIC STATISTICS

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<b>Data Category</b>	<b>Period of latest data</b>	<b>Latest data</b>
GDP (gross domestic product)	I Q, 2010	191,602 NIS millions
GDP growth	I Q, 2010	3.3%
CPI (consumer price index)	April, 2010	105.2
CPI, % (against previous month)	April, 2010	+ 0.9%
Unemployment rate, % of economically active population	I Q, 2010	7.2 % <i>(April 2010: 193 800 persons)</i>
Population	at the end of March 2010	7,579.5 thousands
Exports of goods	April, 2010	3,881.9 \$ millions
Imports of goods	April, 2010	4,535.5 \$ millions
<i>Source of export/import data (Central Bureau of Statistics, Israel):</i>	<a href="http://www.cbs.gov.il/www/hodaot2010n/16_10_075e.pdf">http://www.cbs.gov.il/www/hodaot2010n/16_10_075e.pdf</a>	
Exports to Latvia	April, 2010	2.1 million \$
Exports to Lithuania		1.6 million \$
Imports from Latvia		1.7 million \$
Imports from Lithuania		1.3 million \$
<i>Source of export/import data to/from Latvia &amp; Lithuania (Central Bureau of Statistics, Israel):</i>	<a href="http://www1.cbs.gov.il/www/hodaot2010n/16_10_078e.pdf">http://www1.cbs.gov.il/www/hodaot2010n/16_10_078e.pdf</a>	

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# INFORMATION FROM ECONOMICS DEPARTMENT

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## **BUSINESS OPPORTUNITIES FROM ISRAEL**

**May, 2010**

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Company Name: **Zeev Lidovski – General Supplies Ltd.**  
Contact Person: **Mr. Zeev Lidovski**

Address: 7 Gefen St., Rosh Haayin 48570, Israel

Telephone No.: 972-50-5384893  
Fax: 972-77-9610655  
E-Mail: [zeevlido@netvision.net.il](mailto:zeevlido@netvision.net.il)  
Website: [www.lidovzki.com](http://www.lidovzki.com)  
Year of Establishment: 1998  
No. of Employees: 1-10  
Summary of offer: **Import and Export of Animal Feed**

### **Description of offer:**

We are currently looking for suppliers of Rumen protected fat from palm oil.

We can offer Lysine HCL and Lysine Sulphate, Fish Meal and Fish Oil.

Target Countries: All countries.

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Company Name: **EXODUS Communication & Technologies Ltd.**  
Contact Person: **Mr. Rami Nakash**

Address: P.O.B 10295, Petach-Tikva 49002, Israel

Telephone No.: 972-3-9225588  
Fax: 972-3-9222285  
E-Mail: [info@exodus.co.il](mailto:info@exodus.co.il)  
Website: [www.exodus.co.il](http://www.exodus.co.il)  
Year of Establishment: 1997  
No. of Employees: 1-10  
Summary of offer: **Assistance to foreign companies wishing to enter the Israeli market.  
Special veteran expert team deals with Electronics, Semiconductors, Communication and  
Various Hi-tech product Trades and represent.**

### **Description of offer:**

Local business partners and exclusive services on market research and studies, closes deals for international manufacturers and investors on various fields in the Israeli market.

At the end of the day it's all about people. Meet exodus staff and you will see why you want to partner with us...from Real Estate and Infrastructures to Hi-tech and Start Ups.

Potential Partner: Any manufacturers that seek sales force in Israel, partners who wish to expand and partner with Israeli companies.

Target Countries: All countries.

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## UPCOMING EVENTS 2010

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**RAX - the 21<sup>st</sup> Israel International Exhibition for Electrical Engineering**

**June 8-10- 2010** (Tel Aviv)

For more details: <http://www.stier.co.il/english/fairs/rax/info.htm>

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**ILSI Biomed Israel 2010 – the 9<sup>th</sup> National Life Science & Technology Week**

**June 14-16, 2010** (Tel Aviv)

For more details: <http://www2.kenes.com/biomed/Pages/Home.aspx>

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***Building Exhibition***

**June 21-24, 2010**

■ [For more details](#)

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***Clean Tech 2010 – the 14<sup>th</sup> Annual International Summit and Exhibition for Renewable Energy and Water Technologies, Recycling and Environmental Quality, Infrastructure and Green Building***

**June 29-30, 2010** (Tel Aviv)

For more details: <http://www.mashovgroup.net/cleanTechEnglish/tabid/99/Default.aspx>

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**June 29-30, 2010** (Tel Aviv)

For more details: <http://www.army-defense.org/?categoryId=37042>

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***Security Israel 2010 – the 24<sup>th</sup> International Homeland Security Exhibition***

**June 29 – July 1, 2010**

For more details: <http://www.securityisrael.com/?categoryId=20288>

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***Jovella - the 7<sup>th</sup> International Jewelry Exhibition in Israel***

**July 06- 07, 2010** (Tel Aviv)

For more details: [http://www.stier.co.il/english/fair\\_jovella.htm](http://www.stier.co.il/english/fair_jovella.htm)

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***XXXIII World Congress of the International Society of Hematology***

**October 10-13, 2010** (Jerusalem)

For more details: <http://www2.kenes.com/hematology/Pages/Home.aspx>

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**ISRAEL DEFENCE 2010**

THE INTERNATIONAL DEFENCE FORCES EXHIBITION

**The 4<sup>th</sup> Israel Defense Exhibition (ISDEF) for Army, Police & HLS  
(Home Land Security)**

**October 18 – 20, 2010** (

For more details please contact: [iness@isdef.co.il](mailto:iness@isdef.co.il) or call: + 972 54 5426299 ("TAR Ideal Concept Ltd.)

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***The 2<sup>nd</sup> International Nanotechnology Conference & Exhibition***

**November 8-9, 2010**

For more details: <http://www2.kenes.com/nano/pages/home.aspx>

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**CASA Exhibition - Prestigious exhibition design house**

**November 11-13, 2010**

■ [For more details](#)

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**Dental**

**November 16-18, 2010**

■ [For more details](#)

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**Israfood - the 26<sup>th</sup> International Exhibition for Food and Beverage**

**November 22-24, 2010** (Tel Aviv)

For more details: <http://www.stier.co.il/english/fairs/israfood/info.htm>

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**Hotex - the 27<sup>th</sup> international exhibition for equipment, services & technologies for the Hospitality Industry, the Retail and Institutional Sectors in Israel**

**November 22-24, 2010** (Tel Aviv)

For more details: <http://www.stier.co.il/english/fairs/hotex/info.htm>

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**"Agro Mashov 2011" – the 21<sup>st</sup> International Agricultural Exhibition**

**March 2-3, 2011** (Tel Aviv)

For more details: [www.mashov.net](http://www.mashov.net)

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**More information about exhibitions in Israel :**

- ✓ Israel Trade Fairs and Convention Center  
(<http://itf-en.beatman.eu/en-us/presentations/centralpresentation>)
- ✓ Kenes International  
([www.kenes.com](http://www.kenes.com))
- ✓ Stier Group Exhibitions  
(<http://www.stier.co.il/english/index.htm>)