

**Israel Association of
Electronics and Software
Industries - 2008**

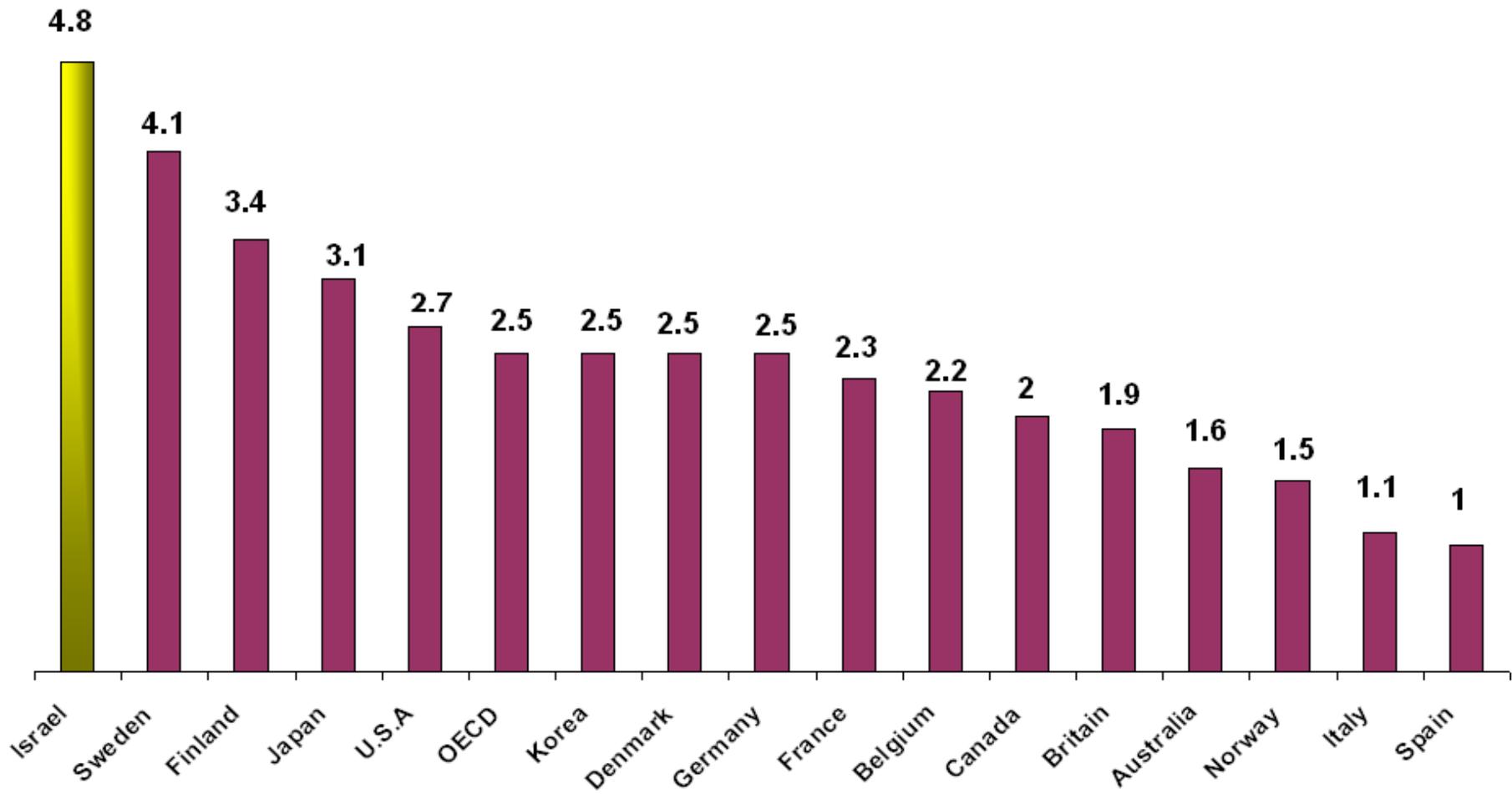


Presentation Agenda

- Electronic & Software Industries.
- What's happening in hi-tech?



Israel R&D in first place with 4.8% of GDP



Industrial R&D Cooperation Agreements



Austria



USA



Sweden



Belgium



Ireland



UK



Canada



Italy



India



China



Korea



Spain



France



Netherlands



Finland



Germany



Portugal

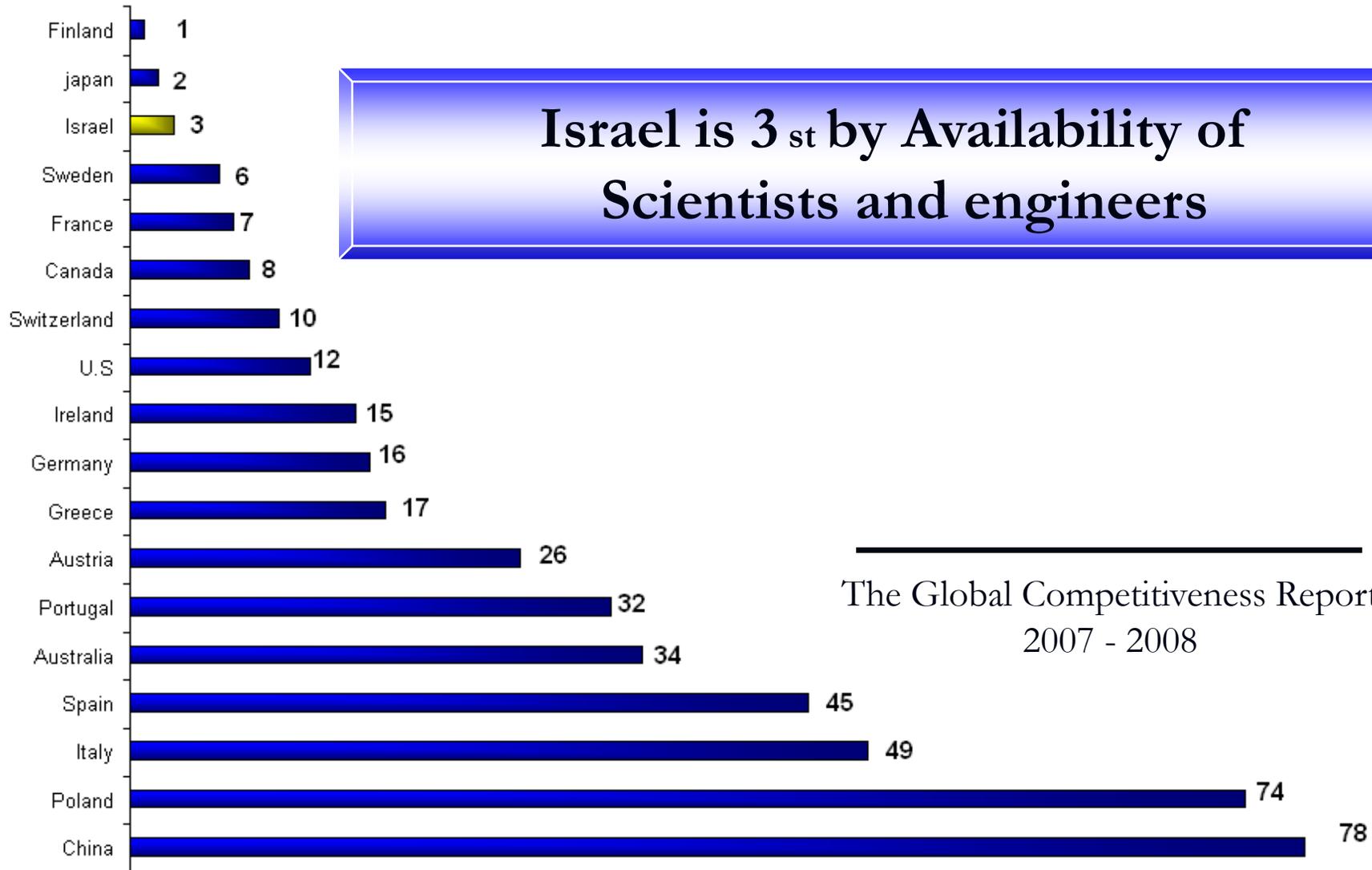


Singapore

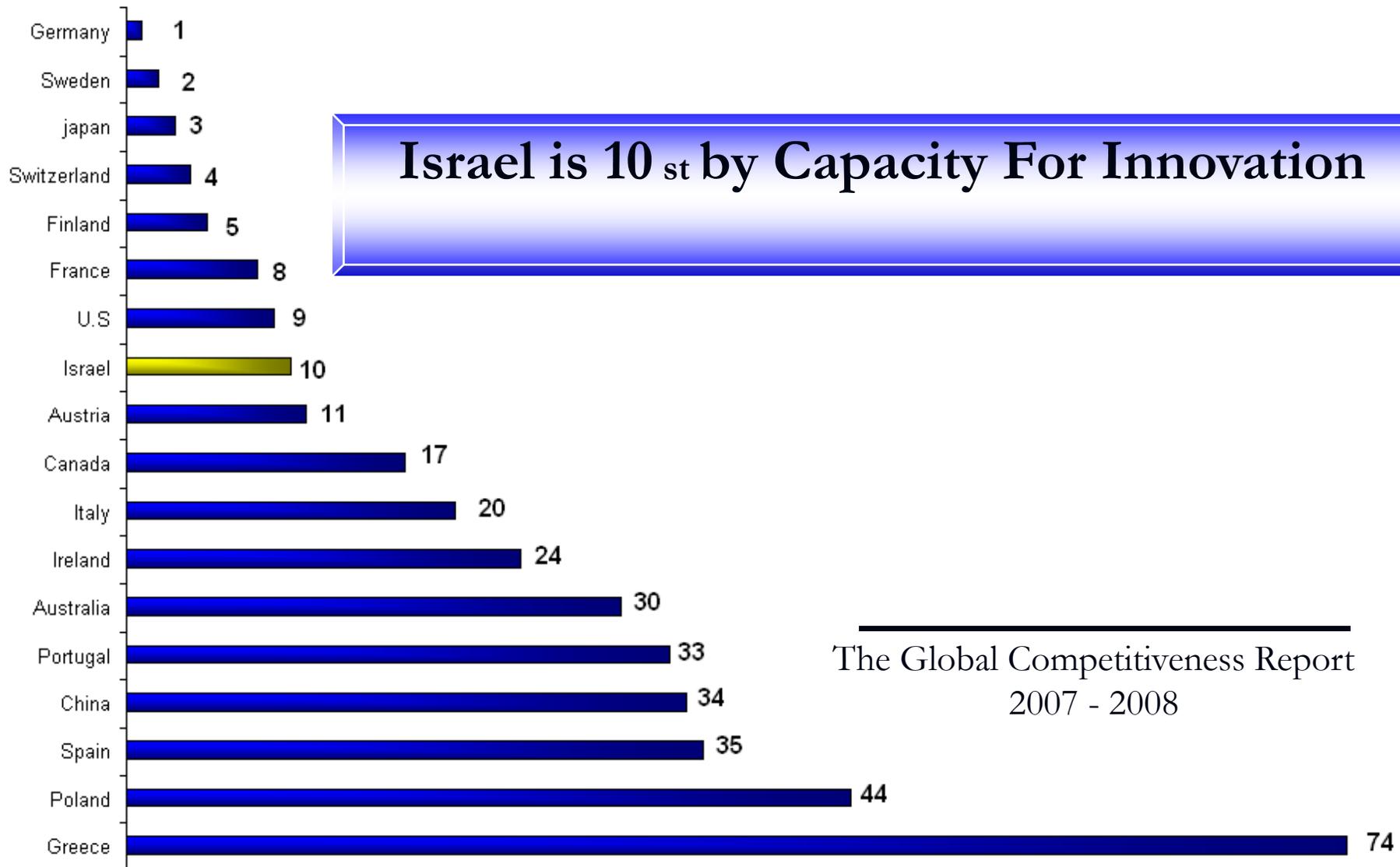


Hong Kong

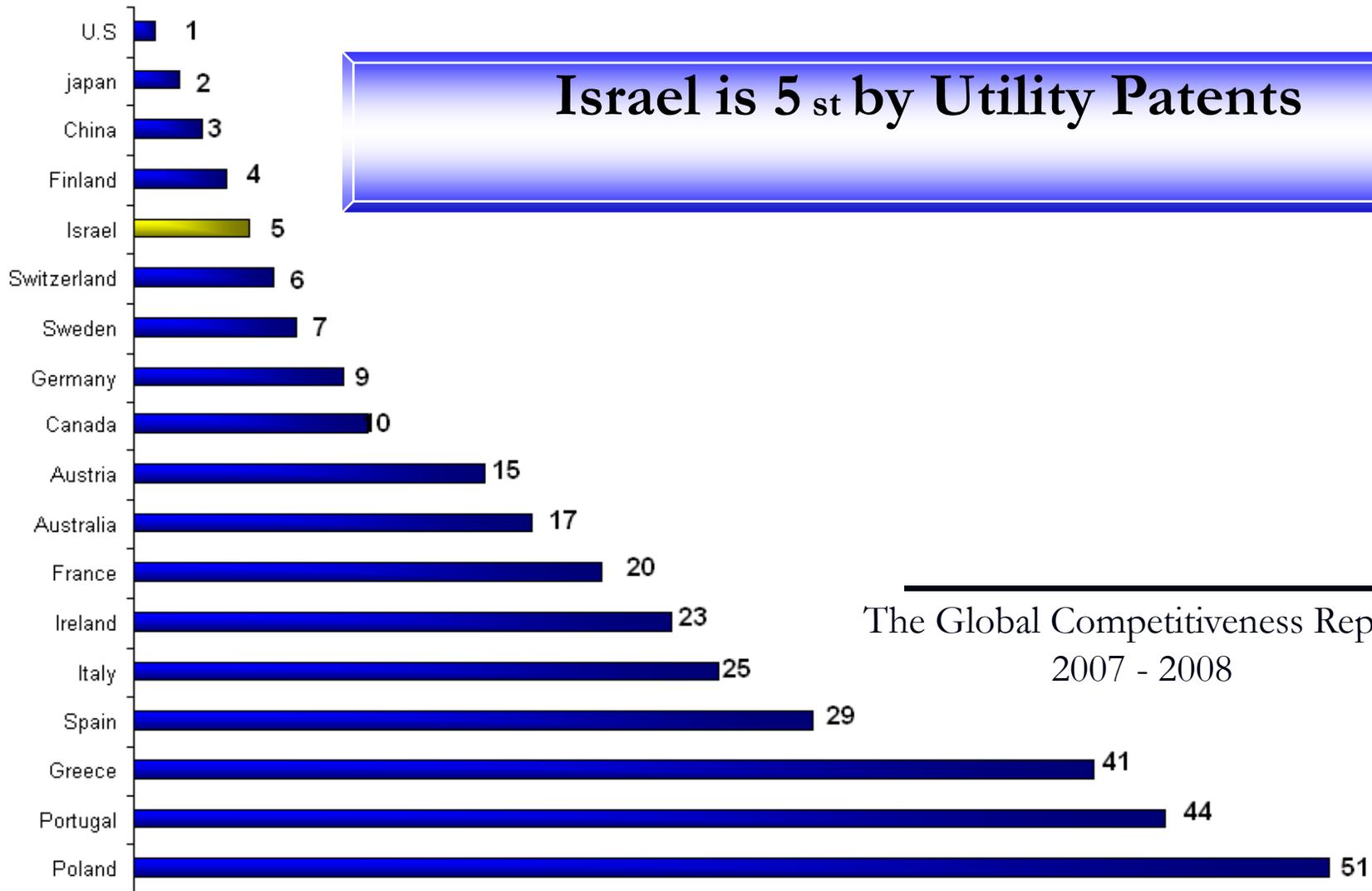
Availability of scientists and engineers



Capacity For Innovation



Utility Patents



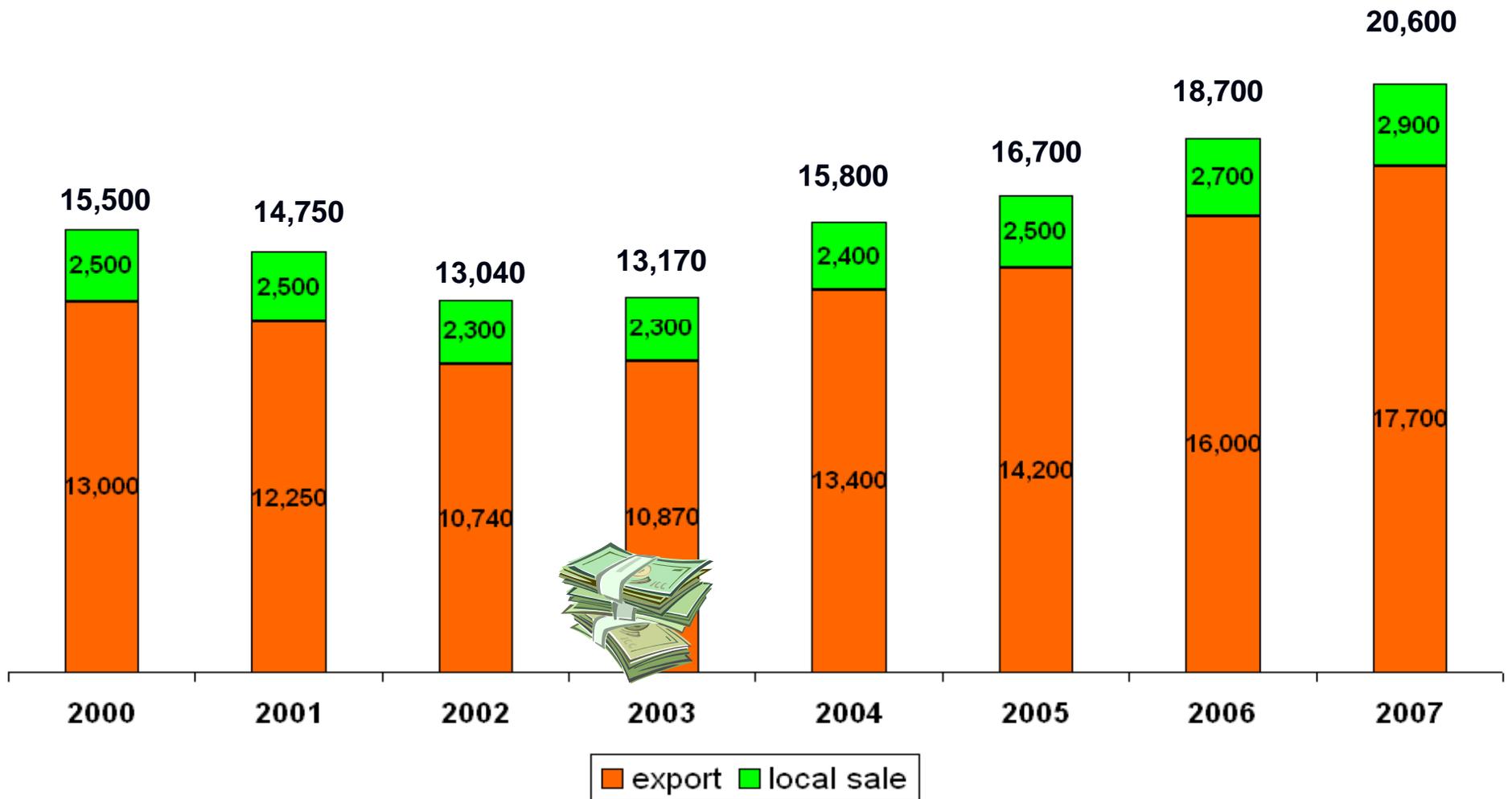
The Global Competitiveness Report
2007 - 2008

Electronic & Software

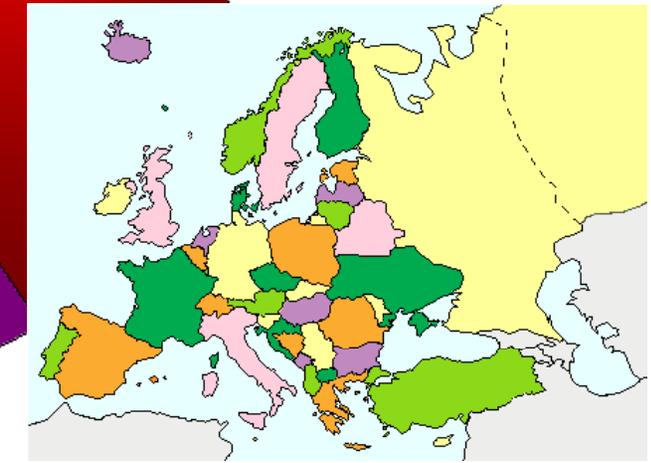
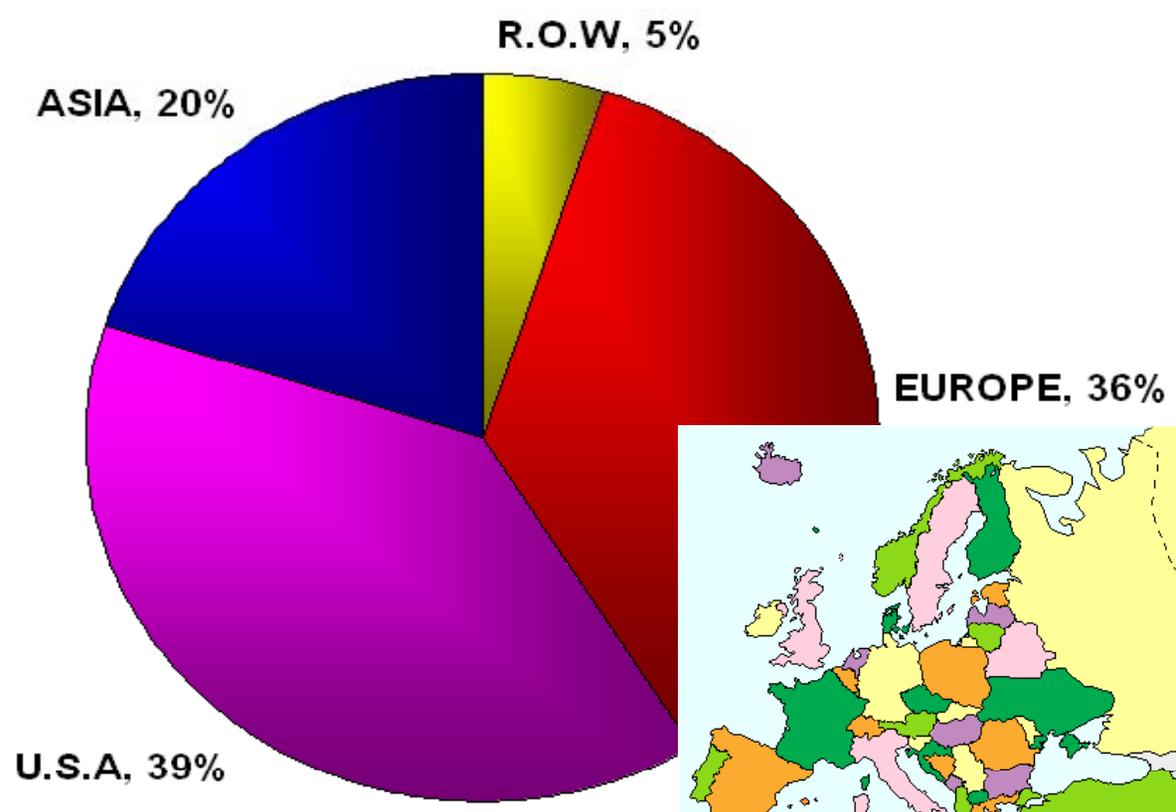
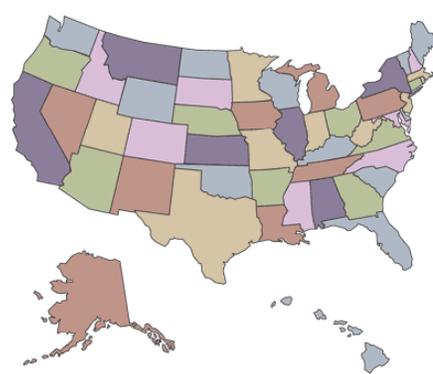
Industries



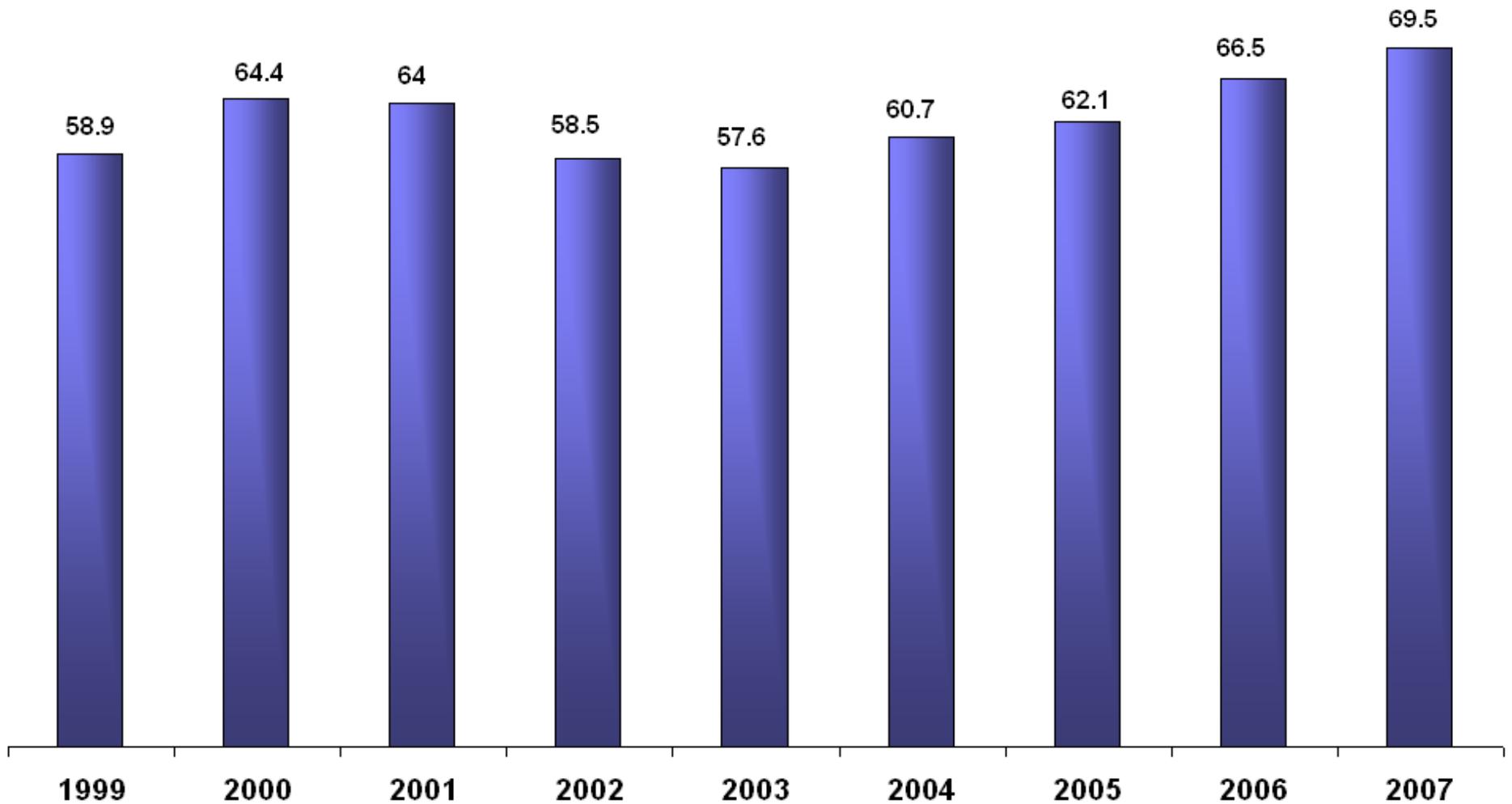
Electronics Industry & Software Export (& Local sale - millions \$)



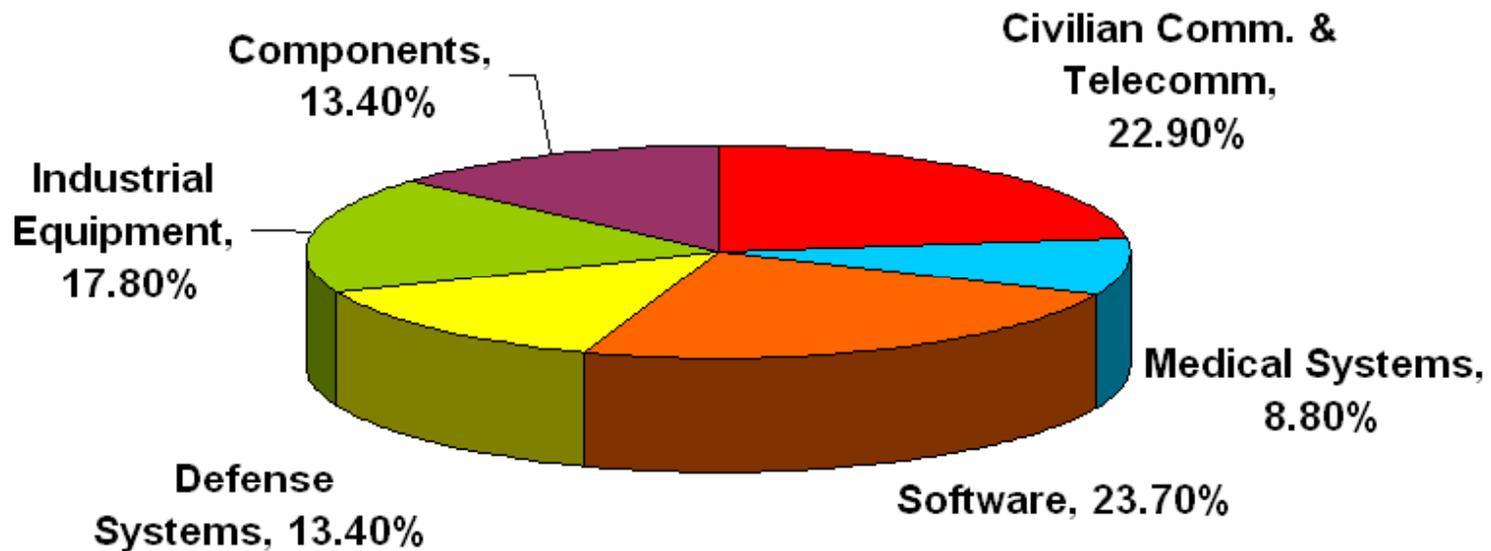
Israel Electronic & Software Industries



Electronics Industry Employees (thousands)



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

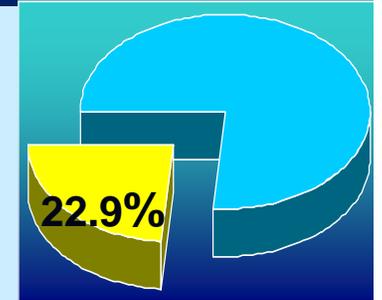
Home Network

Storage Area Networks

Wireless Local Loop, Microwave

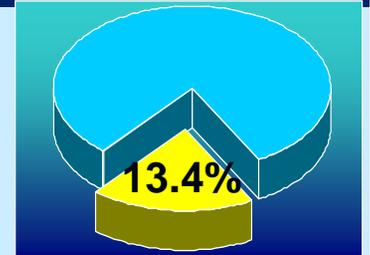
VPN, Firewalls

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

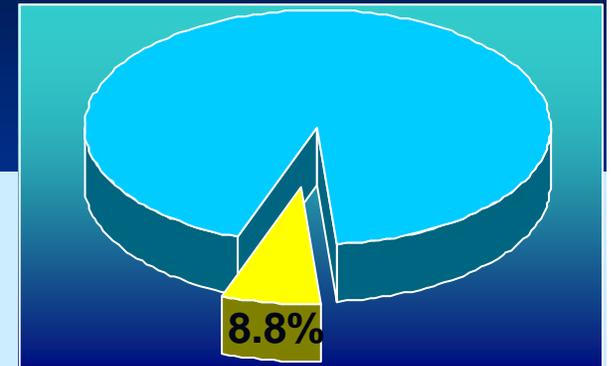


Major Medical Equipments

Imaging and Diagnostic Equipment

Surgical and Treatment Equipment

Monitoring Systems



Major Industrial Equipments

Computerized Production Equipment

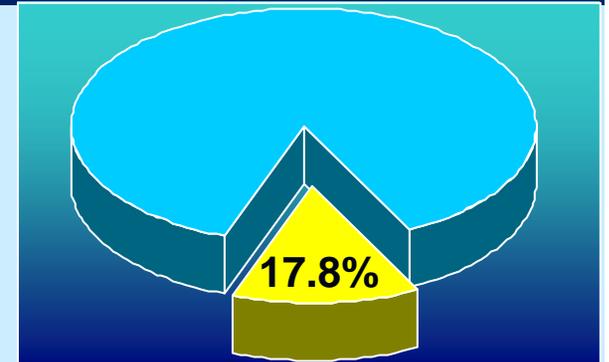
Computerized Control Systems

Test Equipment

Training and Education Systems

Consumer Products

Security Equipment



Electronic Components

SEMICONDUCTORS

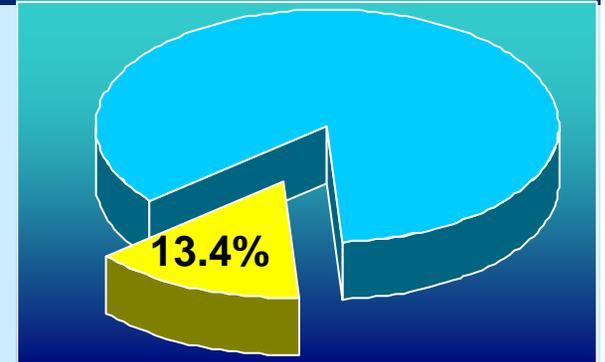
Design Centers
Manufacturing Facilities

PASSIVE COMPONENTS

Resistors & Networks
Capacitors
Transformers
Batteries
P.C. Boards

ACTIVE COMPONENTS

Tubes
Power Supplies
Oscillators
Detectors
Microelectronic Components
Microwave Components



Software

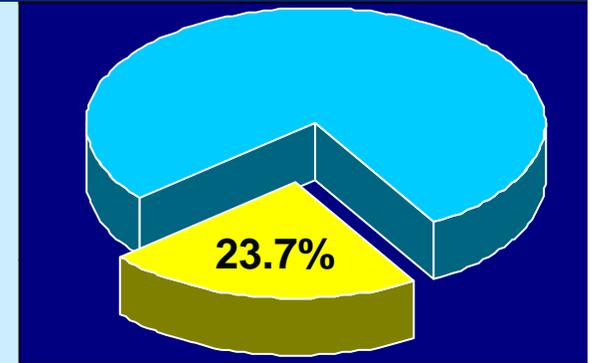
Internet

Multimedia

Software - Products

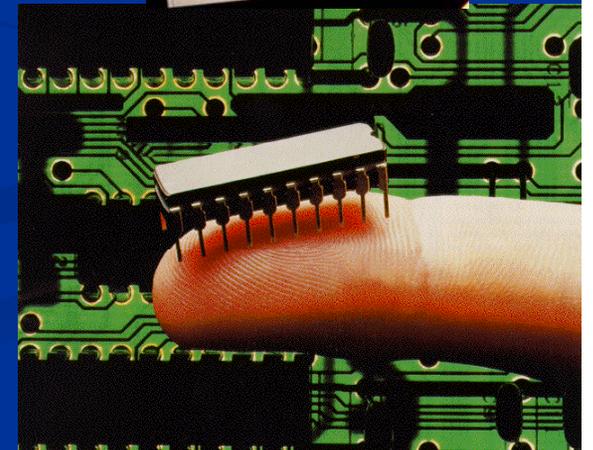
Software – Turnkey Projects

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)*

START - UPS

Main Fields of Activities:

Telecommunications

Information Technologies

Semiconductors for...

Medical

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

Fabless

New Applications to Reduce
Health – Care Cost

Conversion of Military Technologies to Civilian Products.

Highlights in Israeli Innovation

Pentium (Intel)

Centrino (intel)

Telecom Billing (Amdocs)

Call Center Logging (Nice / Verint)

Voice Mail (Comverse)

Instant Messaging (ICQ Ubique)

PC Board Inspection (Orbotech)

VoIP (Vocaltec)

Two – bit per cell Flash Memory (Saifun)

Disk on Key (M-systems)

Firewall (Checkpoint)

Sw Performance (Mercury Interactive)

Anti Virus (Alladin, Commtouch...)

Virtual Colonoscopy (Given Imaging)

Foreign Electronic Subsidiaries

Intel

Micrsoft

IBM

Sun Microsystems

Cisco

3 Com

HP

Texas Instruments

National S.c

ST Microelectronics

Infineon

Analog Devices

Vishay

AVX (Kyocera)

General Electric

Philips Medical

Motorola

Lucent

Technologist

Avaya

Nortel

Siemens

Alcatel

Philips

Ericsson

Nokia

ADC

Qualcomm

Applied Materials

KLT - Tencor

Kulicke & Soffa

BAE Systems Ind

Astronautics

Foreign Investments in Israel

2006 - 2007



Foreign Investments in Israel 2006 - 2007



90 \$ M



90 \$ M



76 \$ M



50 \$ M



40 \$ M



Med Impuls



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!

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.”

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."

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