



STATE OF ISRAEL
Ministry of Industry
Trade and Labor
Foreign Trade Administration
Investment Promotion Center

Israel's Communications Competitive Edge

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> COMMUNICATION EQUIPMENT > SOFTWARE > COMPONENTS
> MOBILE APPLICATIONS AND CONTENT > INTERNET TELEPHONY AND MESSAGING
> CABLE, IPTV AND CONTENT DELIVERY > COMMUNICATIONS SECURITY

Israel's Communications Firsts

- **ECI Telecom** was the first to enable two calls on the same phone line and in 1993, was the first to deploy HDSL.
 - **Comverse** introduced integrated voice, fax and call processing functions into a single system.
 - **Vocaltec** was the first to commercialize VoIP technology with its release of the Internet Phone.
 - **Radvision** developed the H.323 Protocol, the core standard of VoIP that enables voice, picture and data to be transmitted via the Internet.
 - **Nice Systems** became the first company to utilize VoIP recording technology.
 - **iSkoot** introduced the first Mobile Skype phone, launched by the Hutchison 3 group.
 - **modu** introduced the world's lightest cellular handset, adaptable to different consumer electronics.
- Israeli companies have played an active role in revolutionizing the global communications industry. 60 years of innovation in civilian and military communications applications have resulted in the emergence of a number of world-renowned powerhouses, hundreds of smaller companies and over 1000 start-ups.
- Over half of the 120 R&D centers of foreign companies operating in Israel develop Communications technologies, including leading multinationals such as Cisco, IBM, HP, AT&T, Microsoft, Intel, and Microsoft.
 - > **Motorola's** Israeli R&D center played a significant role in the company's major breakthroughs in the field of mobile and cellular communications and pioneered the world's first car phone.
 - > **Intel** Israel has over 7,300 workers and 4 R&D centers across the country and is responsible for the development of leading technology solutions such as Intel's Core 2 Duo and Centrino Mobile technologies.
 - > **Microsoft** has opened a new R&D center (2008) focusing on applied research, the only such Microsoft lab outside the US.
 - In the 2007 Deloitte Technology Fast 500 EMEA ranking, 4 Israeli companies took 1st, 2nd, 3rd and 6th places
 - Israel ranks 3rd in the world for patents granted per capita (USPTO 2007 data, analyzed by IPC)



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> 1st in R&D investments

Israel invests 4.7% of its GDP in R&D, which is the highest ratio in the world (IMD World Competitiveness Yearbook 2007).

> Preferred choice of leading global players

Microsoft, Berkshire- Hathaway, Motorola, Intel, HP, Siemens, Samsung, GE, Philips, Lucent, AOL, Cisco, Applied Materials, Google, IBM and J&J, are just a few examples of multinationals that run core activities in Israel.

> Highly-Educated available workforce

Being 1st in the world for availability of qualified scientists and engineers, Israel provides multinationals with a professional and skilled labor market (IMD World competitiveness report 2007).

> Profit-driving innovations

Disk-on-key technology, IP Telephony, Zip compression, the ingestible pill size camera, modern drip-irrigation technology, ICQ instant messenger and many more were all Israeli breakthroughs.

> Flourishing start-up and VC industries

Ranked 1st in the world for number of start-ups per capita and ranked 2nd in the world for Venture Capital availability, Israel provides its entrepreneurs with the necessary backing to turn their innovative ideas into profitable businesses (IMD World Competitiveness Yearbook 2007).

> Deeply integrated into the world economy

Israel has the largest number of companies listed on the NASDAQ outside of the United States and approximately 70 Israeli companies are traded on various European exchanges.

> Novel laureates

4 Israelis have won Nobel Prized within the last years 7 years in the field of chemistry and economics.

> Supportive technological infrastructure

Ranked 3rd in the world for technological readiness, Israel provides multinationals an environment suitable for the most demanding business requirements (2006-7 WEF Global Competitiveness Yearbook).

> Attentive government support

The Israeli government offers investment grants, R&D grants and tax benefits, as well as guidance throughout the investment process.

“ There is a direct Israeli influence on IP Communication... All this technology comes out of Israel, but I don't think people realize this... If it's going to happen, it will happen here (in Israel) first ”

Jeff Pulver
PulverMedia, American VoIP Industry Guru, 2007

“ Israel is an incredible opportunity for us. It provides us a growth engine for innovation ”

Richard Nottenburg,
Motorola's Executive VP & CTO
2007



Invest in Israel

Israel's Investment Promotion Center serves as a focal point for foreign based companies and individuals interested in investigating direct investment and joint venture opportunities in Israel. The center works closely with potential and current investors throughout the investment process and serves as a source for investment related information.