SHARON KEDMI
Managing Director, Alstom Israel and Chairperson of the Committee on Innovation, Competitiveness and Public-Private Partnerships (CICPPP)
OUR WORLD IS CHANGING
ADDRESSING CHALLENGES WITH INNOVATION

DESIGN & MANUFACTURING

AGRICULTURAL & WATER

AUTOMOTIVE
“WE CANNOT SOLVE OUR PROBLEMS WITH THE SAME THINKING WE USED WHEN WE CREATED THEM”...

ALBERT EINSTEIN

“WHEN YOU HAVE TWO ALTERNATIVES, THE FIRST THING YOU HAVE TO DO IS TO LOOK FOR THE THIRD THAT YOU DIDN'T THINK ABOUT, THAT DOESN'T EXIST”.

SHimon Peres
RADIATING THE LIGHT OF INNOVATION AROUND OUR WORLD

"IF PEOPLE WANT TO SEE THE FUTURE OF THE WORLD ECONOMY THEY SHOULD LOOK AT TEL AVIV, HOME TO HUNDREDS OF STARTUPS AND RESEARCH CENTERS".
BARACK OBAMA
ISRAEL
AN ENLIGHTENED ENVIRONMENT FOR INNOVATION

NO.1
RESEARCHERS IN R&D PER CAPITA

NO.2
MOST AVAILABLE VENTURE CAPITAL

NO.3
BUSINESS ENTREPRENEURSHIP

NO.4
MOST INNOVATIVE COUNTRY

IMD World Competitiveness Yearbook 2016, Bloomberg 2016
ISRAELI INGENUITY
ILLUMINATING LIVES AROUND THE WORLD
ISRAEL
TALENT ILLUMINATING INNOVATION

WARREN BUFFETT
"IF YOU ARE LOOKING FOR BRAINS – STOP IN ISRAEL, THERE IS NO NEED TO GO FURTHER".

ERIC SCHMIDT
"THE DECISION TO INVEST IN ISRAEL WAS ONE OF THE BEST THAT GOOGLE HAS EVER MADE".

BRIAN KRZANICH
"IT’S ABOUT THE ONLY PLACE WHERE YOU HAVE A COMPLETE CROSS-SECTION OF THE COMPANY IN ONE COUNTRY".

BILL GATES
"THE INNOVATION GOING ON IN ISRAEL IS CRITICAL TO THE FUTURE OF THE TECHNOLOGY BUSINESS".

LARRY ELLISON
"ISRAEL HAS ALWAYS HAD A WEALTH OF INTELLECTUAL TALENT".

LI KA-SHING
"IT IS A COUNTRY THAT IS A WELLSPRING OF KNOWLEDGE AND SKILL AS WELL AS A FASCINATING PLACE THAT OFFERS UNLIMITED OPPORTUNITY".
# HUB FOR THE WORLD’S TOP BRANDS

270+ LEADING CORPORATIONS HAVE OPENED DEVELOPMENT AND MANUFACTURING CENTERS IN ISRAEL.

## INTERNET
- Microsoft
- Google
- eBay
- Facebook
- Autodesk
- AOL
- Amazon

## COMMUNICATION
- France Telecom
- Cisco
- Motorola
- Singtel
- Huawei
- Telefonica
- AT&T
- Deutsche Telekom

## ENTERPRISE
- IBM
- 3M
- Dell
- HP
- Barclays
- 3
- EMC
- SAP
- Oracle
- Sony

## SEMI-CONDUCTORS
- Intel
- AMD
- Qualcomm
- Texas Instruments
- Freescale

## MEDICAL
- Boston Scientific
- Pfizer
- Philips
- Merck
- Abbott
- Johnson & Johnson

## ENERGY & WATER
- Siemens
- Syngenta
- enthone
- GE
- TDK Lambda
- Hutchinson
- John Deere
- Irrigation Inc
THE BEST PLACE FOR STRATUPs OUTSIDE THE US

1. Silicon Valley
2. New York City
3. Los Angeles
4. Boston
5. Tel Aviv
6. London
7. Chicago
8. Seattle
9. Berlin
10. Singapore

Source: The global startup ecosystem ranking 2015
INVESTORS SUCCESS STORY

RATIO OF FUNDING ROUNDS V. EXITS, GAVE INVESTORS ~$2 FROM EXITS FOR EVERY $1 INVESTED IN THE LAST 3 YEARS

Cap Raising and Exist ($b) - STRATUPs

<table>
<thead>
<tr>
<th>Year</th>
<th>Exits</th>
<th>Capital Raising</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>2.3</td>
<td>6.6</td>
</tr>
<tr>
<td>2014</td>
<td>3.4</td>
<td>6.9</td>
</tr>
<tr>
<td>2015</td>
<td>3.5</td>
<td>5.4</td>
</tr>
</tbody>
</table>

Source: Geektime, Zirra

IPOs

Source: Geektime, Zirra
2015 ANOTHER RECORD YEAR

TOTAL NUMBER OF NEW STARTUPS RISE TO 1,400, OF WHICH ABOUT 373 COMPANIES RAISED AROUND $3.58 BILLION

AVERAGE INVESTMENTS
early stage and growth companies

Early Stage
- $3.12M (2014)

Growth
- $21.01M
- $20.32M

Source: Geektime, Zirra

AVERAGE INVESTMENT
Seed, Series A, Series B

- $1.67M (2014) A
- $5M (2014) B
- $1.72M (2015) A
- $5.66M (2015) B

Source: Geektime, Zirra
<table>
<thead>
<tr>
<th>Technology</th>
<th>Amount</th>
<th>Acquired by</th>
<th>Start-up</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cyber</td>
<td>$320M</td>
<td>Microsoft</td>
<td>ADALLOM</td>
</tr>
<tr>
<td>FinTech</td>
<td>$350M</td>
<td>ice</td>
<td>superderivatives</td>
</tr>
<tr>
<td>Mobile payments</td>
<td>$360M</td>
<td>Intuit</td>
<td>Check</td>
</tr>
<tr>
<td>Semiconductors</td>
<td>$390M</td>
<td>Qualcomm</td>
<td>Wilocity</td>
</tr>
<tr>
<td>Communication</td>
<td>$900M</td>
<td>Rakuten</td>
<td>Viber</td>
</tr>
<tr>
<td>Smart transportation</td>
<td>$1.02B</td>
<td>(NYSE: (*ipo))</td>
<td>MOBILEYE</td>
</tr>
<tr>
<td>FinTech</td>
<td>$1.2B</td>
<td>D+H</td>
<td>FUNDtech</td>
</tr>
</tbody>
</table>
TOP DEALS 2014-2015

- Cyber: $320M
- FinTech: $350M and $1.2B (total)
- Mobile payments: $360M
- Semiconductors: $390M
- Communication: $900M
- Smart transportation: $1.02B
WHY IS SUCH BRILLIANCE BLOOMING IN ISRAEL?
VIBRANT ECONOMY

One of the strongest economies in the world

Resilient, diverse and open market

Anchored banking system

Elastic labour market and seasoned policy makers

GDP GROWTH RATE %

NO.1 IN THE WORLD
2013 CENTRAL BANK POLICY
—SOURCE: IMD GLOBAL
ENLIGHTENED ACADEMICS

Tradition of distinguished achievement and a culture of excellence

Israel values and promotes ingenuity and creativity

Israeli universities are recognized around the world for their **scientific leadership**

- Israeli has given birth to 12 The Noble Prize winners

“ISRAEL IS A WELLSPRING OF KNOWLEDGE AND SKILL AS WELL AS A FASCINATING PLACE OFFERING UNLIMITED OPPORTUNITY”.

—LI KA-SHING
Entrepreneurial spirit and a multicultural workforce

Groundbreaking research and innovative technologies

Israelis imagine and create solutions for a successful businesses and a better future

“WHEN YOU GO TO THE MIDDLE EAST LOOKING FOR OIL, YOU DON’T NEED TO STOP ISRAEL. BUT IF YOU GO LOOKING FOR BRAINS, FOR ENERGY, FOR INTEGRITY, IT’S THE ONLY STOP YOU NEED TO MAKE”.

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**NO.1**
CYBER SECURITY EFFORT
IMD YEARBOOK 2016 COMPETITIVENESS

**NO.2**
POSTSECONDARY EDUCATION
BLOOMBERG REPORT 2016

**NO.3**
QUALITY OF SCIENTIFIC RESEARCH INSTITUTIONS
WEF GLOBAL COMPETITIVENESS REPORT 2016

**NO.4**
IN RESEARCH PERSONNEL
BLOOMBERG REPORT 2016
BLAZING R&D
LEADING ACADEMIC RESEARCH AND A STRONG DEFENCE INDUSTRY

ISRAEL IS HOME TO 230,000 HI-TECH WORKERS, 39% OF WHICH WORK IN R&D

NO. 2 IN THE WORLD R&D INVESTMENT AS % OF GDP
SOURCE: ORCID DATA

“ISRAEL IS THRIVING IN TERMS OF INNOVATION BECAUSE YOU HAVE A CULTURE THAT MAKES IT POSSIBLE TO QUESTION AUTHORITY AND TO CHALLENGE EVERYTHING - YOU DON’T FOLLOW THE RULES.”
—ERIC SCHMIDT
R&D THAT LEADS TO ADVANCED MANUFACTURING

- **THE WORLD’S TOP DIGITAL AND 3D PRINTING TECHNOLOGIES ORIGINATE IN ISRAEL**
- **OVER 1 BILLION COMPUTER PROCESSORS WERE DEVELOPED AND MANUFACTURED IN ISRAEL**
- **ISRAEL HAS SOME OF THE MOST ADVANCE STEEL AND METAL MANUFACTURERS SUCH AS ISCAR THAT WAS ACQUIRED BY WARREN BUFFETT**
- **LEADING ELECTRO OPTICS COMPANIES IN CONSUMER ELECTRONICS, MEDICAL, INDUSTRY AND SECURITY**
- **50% OF GLOBAL LOW-PRESSURE IRRIGATION SYSTEMS ARE ISRAELI**
- **WITH OVER 500 PLASTIC MANUFACTURERS ISRAEL IS ONE OF THE WORLDS LEADER IN ADVANCE PLASTIC MANUFACTURING**
The Government of Israel offers an assorted range of incentives in three main categories:

1. **Investments and Manufacturing**
   - Investments grants & tax benefits for investors

2. **Industrial R&D**
   - Various programs that support Industrial R&D

3. **Employment**
   - Employment subsidy & vocational training programs