

## ISRAEL

**Capital:**

Jerusalem

**Population: (2010 est.)**

Israel: 7.5 million

Virginia: 8.0 million

**Government Type:**

Parliamentary Democracy

**Prime Minister:**

Benjamin Netanyahu (since March 2009)

**Chief of State:**

President Shimon Peres (since July 2007)

**Languages (Official):**

Hebrew, Arabic

**Land Size:**

8,019 square miles

(slightly larger than New Jersey)

**Currency:** ([www.oanda.com](http://www.oanda.com))

Israeli New Shekel (ILS)

1US\$ = 3.60 ILS (Aug. 2011)

1US\$ = 3.82 ILS (Aug. 2010)



(Israel Map. CIA)

### DID YOU KNOW?

- Israel's commercial relationship with the United States has developed rapidly since the signing of the U.S.-Israel Free Trade Agreement (FTA) in 1985. Today, nearly all tariffs on trade between the two countries have been eliminated. (U.S. Department of State)
- In 2010, Israel imported nearly \$7 billion worth of goods from the United States. American exports account for roughly 12% of Israel's import market for goods. (World Trade Atlas)
- The United States is Israel's largest export market, receiving approximately 32% of Israeli exports. (World Trade Atlas)
- Diamonds are one of Israel's top exports, and Israel is one of the world's hubs for diamond cutting, polishing, and wholesaling. Israel exported more than \$16.5 billion dollars of rough and polished diamonds in 2010. Close to half of the total diamonds exported were sent to the United States. (World Trade Atlas)
- By all accounts the United States has given more money to Israel than to any other country. The Congressional Research Service's conservative estimate of total cumulative U.S. aid to Israel (not adjusted for inflation) from 1949 through 2010 is \$109.001 billion. (CSR Report)
- The United States and Israel announced in August 2010 that Israel will purchase 20 F-35s at a cost of \$2.75 billion which will be delivered in 2015. (Lockhead Martin)



## ISRAEL

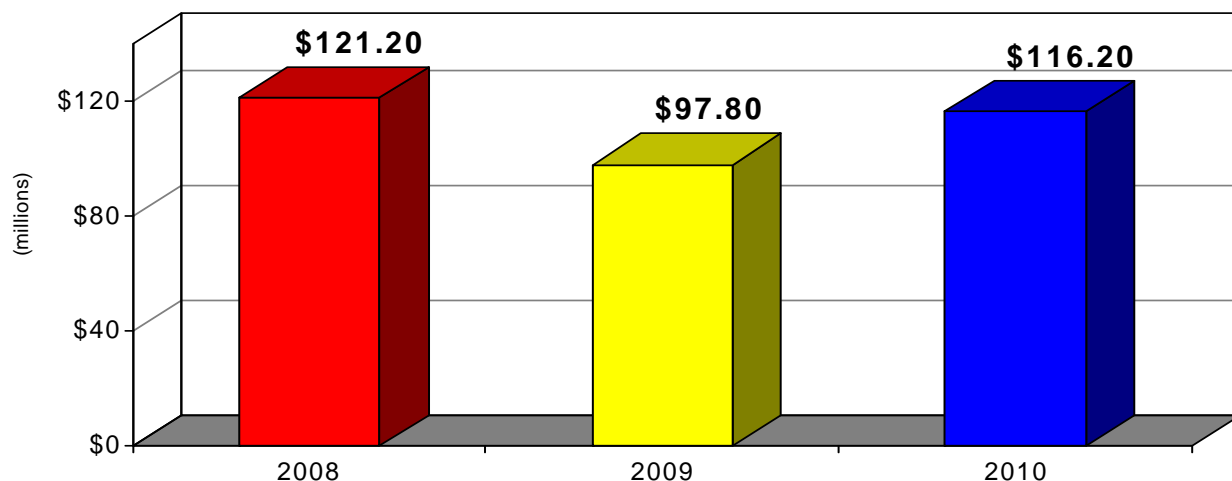
### ECONOMIC OUTLOOK

After a solid start to the year, and with consumer demand and investment still strong, the prospects for 2011 remain fair. As a result, the Bank of Israel has raised its 2011 growth forecast to 5.2%; however, some economists believe the 2011 growth forecast to be just below 5%. The Israeli central bank has raised interest rates ten times since mid-2009, most recently in May this year, as the economy has recovered faster than elsewhere. (Oxford Economics)

According to the [Global Competitiveness Report \(GCR\) for 2011-2012](#) published by the World Economic Forum's Centre for Global Competitiveness and Performance, Israel's main strengths remain its "world-class" capacity for innovation, derived from the presence of "the world's best research institutions" and their collaborations with the business sector, and the high number of patents. Also, the report mentions Israel's favorable financial environment, particularly the solid availability of venture capital, which has "further contributed to making Israel an innovation powerhouse." According to the report, these elements have become stronger in the past year. The report notes that increased budgetary discipline with a view to reducing debt levels would help the country maintain stability and support economic growth going into the future.

Israel's main advantages according to the 2011-2012 report are:	
1. Quality of scientific research institutions	8. Firm-level technology absorption
2. Venture capital availability	9. University-industry collaboration in R&D
3. Utility patents per million population	10. Company spending on R&D
4. Life expectancy	11. Nature of competitive advantage
5. Strength of investor protection	12. Legal rights index
6. Government procurement of advanced tech product	13. Availability of scientists and engineers
7. Capacity for innovation	Source: World Economic Forum

### VIRGINIA EXPORTS TO ISRAEL



(Source for Graph: World Trade Atlas)



## ISRAEL

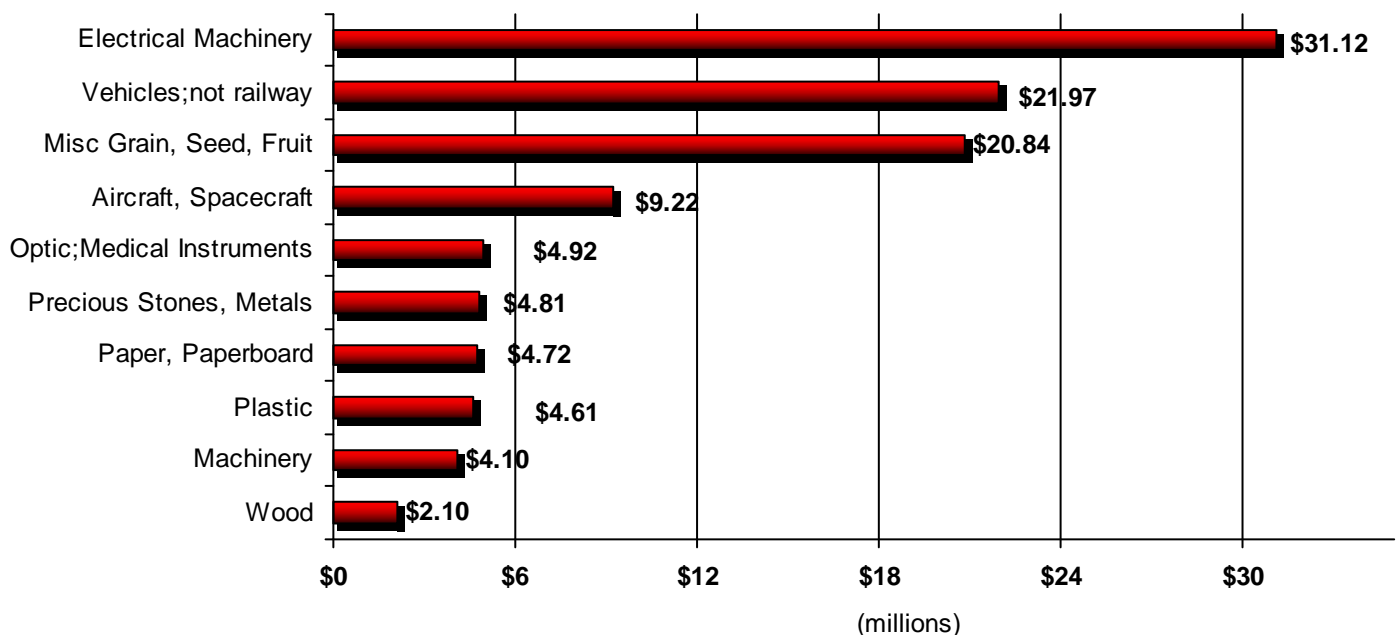
### VIRGINIA EXPORTS TO ISRAEL

In 2010, Israel was the United States' 23<sup>rd</sup> largest export destination and Virginia's 28<sup>th</sup>. Virginia exports to Israel account for only a small fraction (0.7%) of the total Virginia goods shipped to the world in 2010. The total amount of goods sent to Israel from Virginia increased 18.8% from 2009 to 2010. As shown in the graph on the previous page, the 2010 increase in state exports to Israel are nearly the same as recorded in 2008.

The commodity mix and export totals have fluctuated over the past 2 years. In 2008, tobacco exports represented nearly 12% of total exports from Virginia to Israel. By 2010, the total value of tobacco exported was valued around \$100,000 which represents a decrease of \$14.5 million dollars. Vehicle (not including railway) exports have increased nearly 240% since in the past year. Nearly all vehicles exported to Israel are classified under armored vehicles and represent 99% of the nearly \$22 million sector. Aircraft and Spacecraft parts declined approximately 37% from 2009 to 2010. Machinery exports grew 107% year over year. Miscellaneous grain, seed and fruit have increased export values 98% during the same period. Precious stones and metal exports to Israel gained nearly 72% in 2010 to reach a total value of nearly \$5 million.

The products listed below represent slightly more than \$100 million and account for 93% of all goods exported to Israel from Virginia in 2010.

### VIRGINIA'S TOP EXPORTS TO ISRAEL - 2010



(Source for Graph and Text: World Trade Atlas)

## ISRAEL

### VEDP TRADE EVENTS

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For a complete listing of VEDP's international trade events, please visit the "Events" tab on our website: [www.ExportVirginia.org](http://www.ExportVirginia.org)

### VEDP CONTACT INFORMATION

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**Division of International Trade**  
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Website: [www.exportvirginia.org](http://www.exportvirginia.org)

### ADDITIONAL RESOURCES

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Virginia – Israel Advisory Board: <http://vaisrael.vipnet.org/>  
Virginia Israel Tech Alliance (VITAL): <http://www.vitalva.com/>  
U.S. Embassy in Israel: <http://usembassy-israel.org.il/>  
Embassy of Israel in Washington DC: <http://www.israelemb.org/>  
Israel– America Chamber of Commerce: <http://amcham.co.il/>  
Israeli Ministry of Foreign Affairs. <http://www.mfa.gov.il>

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