Export Opportunities in Israel

In 2017, Israel ranked 24th among U.S. export destinations and 39th among Virginia export destinations. Some of the top opportunities for U.S. exporters in Israel include:

- Healthcare Technologies
- Educational Services
- Automotive Aftermarket Parts
- Telecommunications
- Energy
- Homeland Security
- Aerospace
- Agriculture

Top Virginia Exports to Israel

<table>
<thead>
<tr>
<th>Export Category</th>
<th>2017 Value</th>
<th>Change 2017/2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Commodity Chapters</td>
<td>$83.9</td>
<td>46%</td>
</tr>
<tr>
<td>Aircraft &amp; Spacecraft</td>
<td>$28.9</td>
<td>43%</td>
</tr>
<tr>
<td>Fruits, Seeds, Grains</td>
<td>$10.4</td>
<td>0%</td>
</tr>
<tr>
<td>Electrical Machinery</td>
<td>$8.1</td>
<td>121%</td>
</tr>
<tr>
<td>Medical Instruments</td>
<td>$6.6</td>
<td>27%</td>
</tr>
<tr>
<td>Arms And Ammunition</td>
<td>$3.5</td>
<td>6833%</td>
</tr>
<tr>
<td>Wood Products</td>
<td>$3.3</td>
<td>14%</td>
</tr>
<tr>
<td>Pearls, Stones, Metals</td>
<td>$3.1</td>
<td>-38%</td>
</tr>
<tr>
<td>Cereals</td>
<td>$3.0</td>
<td>n/a</td>
</tr>
<tr>
<td>Industrial Machinery</td>
<td>$3.0</td>
<td>-19%</td>
</tr>
<tr>
<td>Plastics</td>
<td>$2.8</td>
<td>13%</td>
</tr>
</tbody>
</table>

(U.S. Central Intelligence Agency)

Map of Israel

In US$ Billions

<table>
<thead>
<tr>
<th>Year</th>
<th>Value (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$13.5</td>
</tr>
<tr>
<td>2016</td>
<td>$13.2</td>
</tr>
<tr>
<td>2017</td>
<td>$12.6</td>
</tr>
</tbody>
</table>

(World Trade Atlas)
FAST FACTS

Opportunities in Israel for Exporters

**Healthcare Technologies**

Israel’s healthcare system is advanced by international standards. Israel is also known as a research and development hub for startups in the medical and biotech industry. The healthcare consumer market is relatively small with only 9 million people, but it presents opportunities for novel technologies and therapeutics. Total imports of healthcare products were $3.8 billion in 2017 and the United States’ share was 14% ($530 million).

Top opportunities include:
- Equipment and supplies for plastic surgery
- Dental instruments
- Technologies for pain management
- Preventive medicine and diagnostic supplies

**Automotive Aftermarket Parts**

The Israeli automotive industry is solely dependent on foreign imports having no manufacturing base of its own. In 2017, 286728 vehicles were sold, despite high taxes on new cars. The market demands well-known brands, high quality parts, fuel-efficient “green” products, and technological accessories.

Top prospects include:
- Car security and anti-theft devices
- Car body: bumpers, radiator grills, etc.
- Services Parts: brake pads, filters, etc.
- Electronic accessories

**Homeland Security**

Israel is a well-developed and sophisticated market for homeland security equipment and services. Israel’s security-awareness and high level of preparedness are the driving forces for the development of the country’s innovative security industry. U.S. suppliers dominate imports with almost 50% of a market worth $1.2 billion annually.

Top opportunities for U.S. exports include:
- Biometric solutions
- Cybersecurity
- Non-lethal weapons and sensors

**Energy**

Since 2009, Israel has discovered over 900 Billion Cubic Meters (BCM) of offshore natural gas. Israel plans to use the gas to leverage the development of a gas-based auxiliary industrial sector. The country is rapidly developing a gas-based electricity sector and the government regulator has issued dozens of licenses for independent power producers. The target for renewables is to reach 10% by 2020.

Top prospects include:
- Electrical power generation
- Transmission and distribution equipment
- Pipeline equipment
- Consulting services
- Renewable Energy

---

Opportunities in Israel for Exporters

(US Commercial Service)

VEDP | International Trade | ExportVirginia.org
Israel's culture and society operate on a "first name basis" so any business or personal relationship, given the atmosphere is friendly and cooperative, will quickly move to a first name basis.

For men, suits with ties are common in formal situations. In most industries, business casual is acceptable; many men wear a suit with an open collared shirt. For women, stylish business suits or dresses are common. Religiously observant women usually cover their arms and wear skirts and dresses that reach below the knee.

Punctuality is valued so it is best to arrive on time for meetings. Be aware that transportation can be problematic due to heavy traffic so allow enough time to reach your meeting.

There is usually very little time for small talk as Israelis tend to get down to business quickly.

Meeting agendas are common and are usually followed quite carefully. Sales brochures, corporate portfolios, meeting agendas and presentations should be in English, the core global business language in Israel.

Israelis are avid business gift aficionados. Handsome and modest gifts from a visitor’s home country are very much appreciated.

The business week starts on Sunday and ends on Thursday.

Israel has a technologically advanced free market economy. Cut diamonds, high-technology equipment, and pharmaceuticals are among its leading exports. Israel usually posts sizable trade deficits, which are covered by tourism and other service exports, as well as significant foreign investment inflows.

Between 2004 and 2013, growth averaged nearly 5% per year, led by exports. The global financial crisis of 2008-2009 spurred a brief recession in Israel, but the country entered the crisis with solid foundations, following years of prudent fiscal policy and a resilient banking sector. Israel’s economy has weathered the Arab Spring because of strong trade ties outside the Middle East that have insulated the economy from spillover effects.

Slowing domestic and international demand and decreased investment resulting from Israel’s uncertain security situation reduced GDP growth to an average of roughly 2.6% per year during 2014-2015. Private consumption is expected to drive growth through 2018, with consumers benefitting from low inflation and a strong currency.

(CIA World Factbook)
FAST FACTS

Israel

Virginia Economic Development Partnership - International Trade offers a number of export-related services to Virginia businesses, including trade missions and market research by our Global Network of in-country consultants. These services are available to all Virginia exporters.

For more information, please visit our website: ExportVirginia.org

Additional Resources

<table>
<thead>
<tr>
<th>Israel Overview</th>
<th>Israel Country Commercial Guide</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global Edge - Michigan State University</td>
<td>U.S. Commercial Service</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Israel: Country Profile</th>
<th>Ease of Doing Business Report</th>
</tr>
</thead>
<tbody>
<tr>
<td>BBC</td>
<td>World Bank</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Israel Guide</th>
<th>Doing Business in Israel</th>
</tr>
</thead>
<tbody>
<tr>
<td>Culture Crossing—Israel</td>
<td>United Kingdom Trade &amp; Investment</td>
</tr>
</tbody>
</table>