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The border between business and politics is very thin – almost non-existent

The meshing of business and politics is a reality, but that is not necessarily a bad thing for Israel. In fact, it can serve Israel well. Charlotte Gutman, managing director of the pan-European public relations firm CGP Europe, provides her perspective.

In her speech at the Prime Minister's Conference for Export and International Cooperation, Israel's Foreign Minister Tzipi Livni, who had just returned from China, said: "Tiny, little Israel received an award for a dairy company helping big China in agriculture. Israel is there to help not only itself. Borders are less and less important. However, it is a fact that the global threat and economy are connected. Israel will be able to position itself on the political level thanks to its successful economy."

It has been a difficult and lengthy road to finally reach this approach by the Israeli government. I remember a time, not so long ago, when Israeli officials believed that there was a clear distinction between the Ministry of Industry & Trade and the Ministry of Foreign Affairs.

In the summer of 2006, when war broke out in the northern part of Israel, I tried to interest Israeli business leaders in a lobbying group at the European Parliament. The idea was to get successful businesses in Israel to support the efforts of the "European Friends of Israel," a group of parliamentarians from the EP and national governments. Of the 600 global Israeli companies contacted, only 10 companies understood that the success of this group would have a direct influence on business issues. I am sorry to say that Israeli companies missed an excellent opportunity.

We have seen economic embargos try to harm countries, and we of course know about the blacklist, which prevents Israel from being an official business partner for some countries. During the years of the intifada, we also saw many tough propaganda campaigns, such as those in supermarkets in Europe, which tried to damage Israel's economy, and the negative political reactions that resulted in the cancellation of business meetings. Israeli business people had to justify themselves in some European countries where anti-Israeli activities were, and still are, far-reaching. Today, looking at the amazing achievements of the Israeli economy, it is hard to look back and remember those times as being a permanent threat to the country and its people.

I have witnessed some major moves forward in recent years. Planes and hotels are fully booked with tourists, and the word "Israel" is not as taboo as it used to be in the European market. However, Israeli business people still have to defend the

moral values and dignity of Israeli society while representing their companies abroad. Besides the government, companies and individuals have to combat the distorted image of Israel and Israelis. The job of communications – to reduce the gap between the reality of Israel and its image abroad – is not over, and probably never will be.

In the meantime, Israel is confirming its position as a key player in the worldwide economy by signing major strategic agreements with the EU. Israel was welcomed at the Organization for Economic Cooperation and Development (OECD), next to 30 other countries. Thanks to its economic achievements, Israel is now on board as a full member of this prestigious organization. As an observer in several committees, Israel has already made important contributions in fields such as taxes, science and technology. OECD Secretary-General Angel Gurría summed it up when he said succinctly: "The benefits of this accession process are manifold. It is a triple-win partnership: Israel wins, the OECD wins and the world economy will win too."

EU-Israel business dialogue

The "EU-Israel Business Dialogue" was officially launched at the Prime Minister's Conference in Tel Aviv on November 1, 2007. The conference comprised 20 European and Israeli business leaders in the presence of Günther Verheugen, VP EU Commissioner for Enterprise and Industry, and Eliyahu Yishai, Minister of Industry, Trade and Labor.

"This dialogue shall encourage European companies to do more business with Israel and to invest more in Israel. There is a huge economic potential that is not yet fully exploited," said Verheugen. The chairman of the European side is Dr. Mathias Doepfner, CEO of the German media group Axel Springer. The Israeli side is to be chaired by Internet entrepreneur and investor Yossi Vardi.

In the first year of operations, the EU-Israel Business Dialogue will focus on banking and finance, energy and clean technologies, life sciences, retail and manufacturing, telecommunications, media and Internet, tourism and transportation.

Israel is the first neighboring EU country to join the Competitiveness and Innovation Program (CIP), under which the European Commission promotes innovation, entrepreneurship and growth of small and medium-sized enterprises. According to Verheugen, "Competitiveness and innovation are joint challenges for Israel and the EU. There are many areas of entrepreneurship and innovation policy in which Israel and the EU have



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a lot to offer, and where cooperation in joint projects and business and innovation networks will create a win-win situation. In today's world the key to success is not isolation but cooperation."

Growth in water

NEWTech – Novel Efficient Water Technologies – is a new government program launched at WATEC 2007 to promote the Israeli water technology sector. Oded Distel, Director of Israel NEWTech, has forecast water technology industry exports to jump an unprecedented 28 percent in 2007 from the previous year. According to Distel, this sector will become a main engine of Israel's growth in the coming years.

WATEC 2007 welcomed 100 business delegations and 2,000 visitors. At the closing session, Israel's President, Shimon Peres, discussed the Red Sea/Dead Sea conduit, a proposed joint

project for Jordan, the Palestinian Authority and Israel that could provide a new peace channel for the Middle East.

Cause for optimism

Attending WATEC 2007, the Prime Minister's Conference, and the Cleantech and Go4Europe conferences on my recent visit to Israel and seeing the encouraging participation of foreign business people has given me strong hope for the future. The buoyant foreign interest was in stark contrast to the paltry foreign attendance at other Israeli conferences that took place soon after the burst of the high-tech bubble and during the Intifada days. While listening to the news occasionally causes apprehension, the present situation gives me cause for guarded optimism that Israel is solidifying its position as a leading technology nation. ■