



OCS-Office of the  
Chief Scientist  
MINISTRY OF ECONOMY



State of Israel

# ISRAEL's Innovation: Ecosystem & Policy

ENTREPRENEURSHIP

# INNOVATION

# R&D

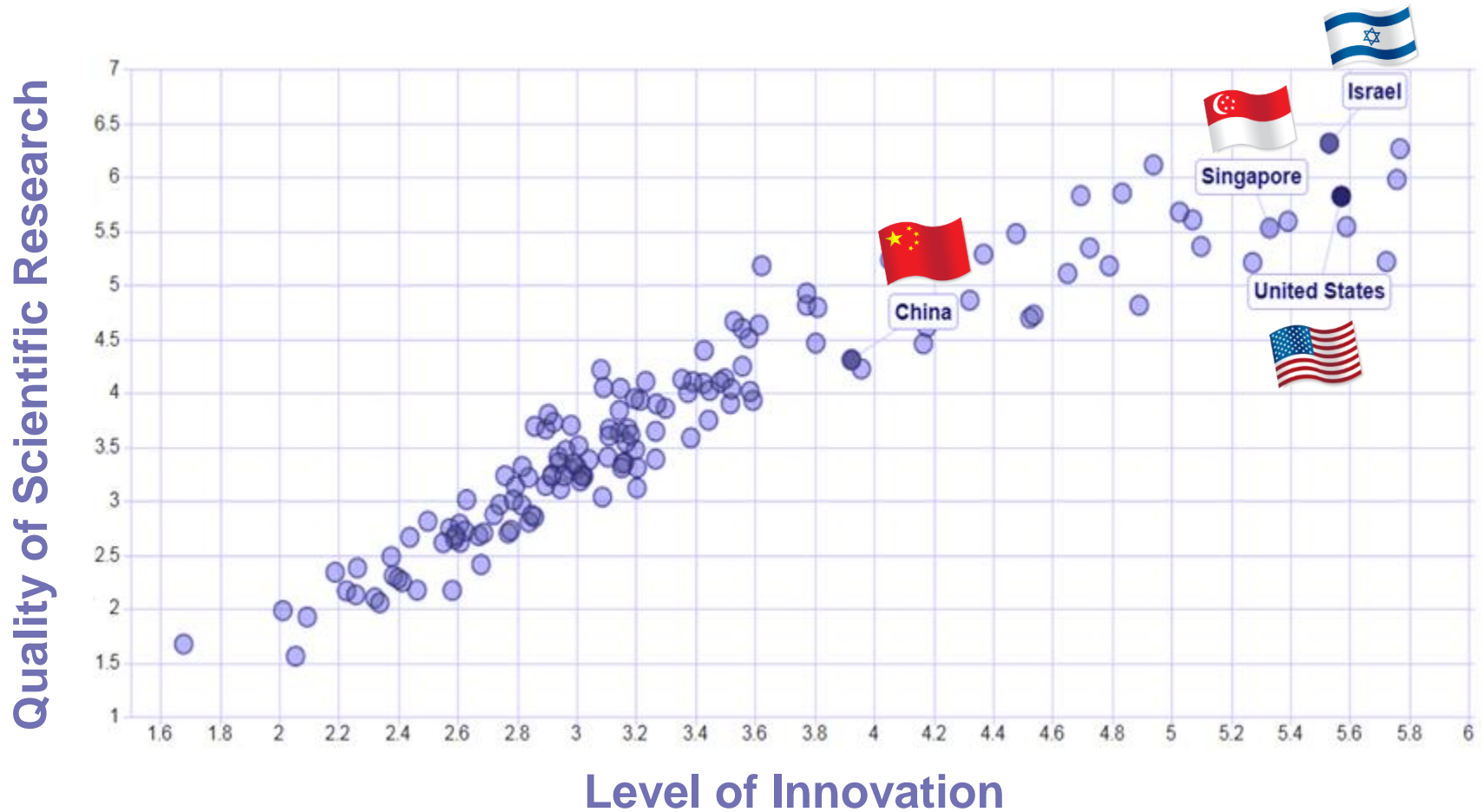
COOPERATION

TECHNOLOGY

# ***Israel in brief***

- **Population** ~ **8 million**
- **Area** **22,000 sq km**
- **Average Household** ~ **3.6 persons**
- **GDP** **\$B 287** (PPP 2014)
- **GDP/Capita** **\$ 35,800**
- **Inflation** **3%**
- **Unemployment** **5.6%**
- **Growth Rate** **3.5%**

# Israel: A Global Leader in Research and Innovation



Source: World Economic Forum, 2011



# Ecosystem's Uniqueness



**R&D Intensity**

1<sup>st</sup> in the OECD in terms of R&D expenditure as a percentage of GDP (4%)

**Business Sector Intensity**

1<sup>st</sup> in the OECD in terms of business share of R&D expenditure (84%)

**MNCs**

Massive presence of Multi National Corporations including Apple, IBM, Philips, Google, HP, Huawei...

**VCs**

1<sup>st</sup> in the OECD in terms of VC investments as a percentage of GDP (0.36%)

**Startups**

Second-largest source of innovation after Silicon Valley



# OCS – Ministry of Economy

Execution of government policy for support of industrial R&D

Goal is not to make money but strengthen the industry

Enable but don't lead the market – “do no harm”

37 different programs to promote innovative R&D



# Innovation Policy

**Neutral**

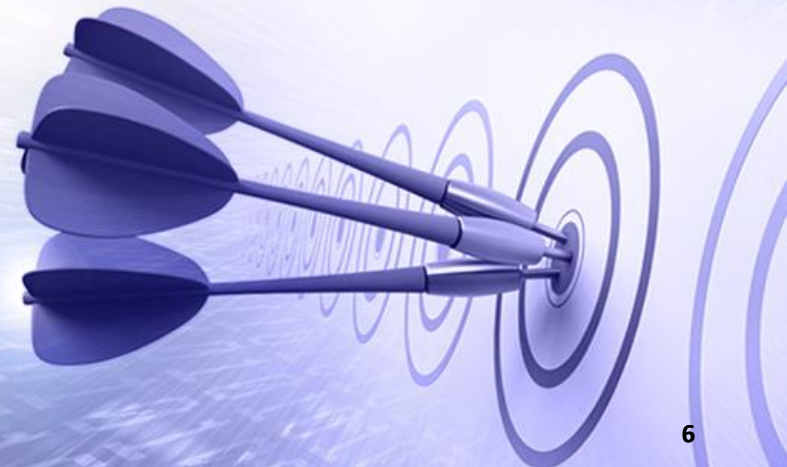
Eligibility depends on **technological level** and **business potential**

**Reciprocity**

Financing firms through **grants**, payable by **royalties** (no equity)

**Matching**

Investments are **matched to private money**



# Main Programs



**R&D Fund:** Sharing the risk of technological innovative projects with the private sector



**Technological Incubators:** Transforming innovative technological ideas into viable startup companies which are capable of raising money on their own



**MAGNET:** Sponsoring innovative generic, pre competitive, industry-oriented technologies through synergetic collaboration between industrial companies and academic research groups



**International Cooperations:** Facilitating cooperation in R&D through bi-national funds, bi-national agreements and multinational framework (Horizon 2020)





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# Thank You

[www.economy.gov.il/madan](http://www.economy.gov.il/madan)

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