



Israel Business and Technology Connection

A Publication of the Jewish Community Relations Council

May 2011



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[Kaiima](#), an Israeli next gen seed and breeding company, has devised a technique for multiplying the number of chromosomes in biofuel and other agricultural crops in a way that will increase harvests while at the same time skirting some of the technical and regulatory risks surrounding genetically modified organisms. [Find out how...](#)

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Greetings

May 25, 2011 is the JCRC's Annual Meeting -- a wonderful opportunity to gather with leadership from the St. Louis Jewish and general communities in support of the JCRC's mission: to enhance cooperation with other religious, racial, ethnic and civic groups; foster a just democratic and pluralist society and promote the security of Israel and Jews everywhere. We hope that you will join us -- for more information and to register click [here](#).

In this issue of the JCRC's Israel Business and Technology (IBTEC) newsletter we bring you news from the Arab-Israeli sector. While Arabs account for 20% of Israel's population, they account for only 8% of production and 0.1% of exports. In April, IBTEC hosted a visit by Mr. Helmi Kittani, Executive Director of the [Center for Jewish-Arab Economic Development](#) (CJAED). Mr. Kittani visited the Center for Emerging Technologies, CORTEX, Eden Theological Seminary and, with African-American leadership to discuss the importance of Arab-Jewish economic cooperation. [The Globes article](#) below gives an example of the progress made in the banking sector regarding Arab-Israeli communities.

In addition to the work to improve economic development in the Arab-Israeli sector, the Israeli government and Israeli companies have made significant efforts to improve the economic development of the West Bank. Mellanox Technologies, a mega network gear builder and a company located in St. Louis Jewish community's sister city of Yokneam, is planning to establish an R&D center in Ramallah. [Mellanox CEO Eyal Waldman sees this effort as vital to the area's economy and to peace efforts](#).

We also bring you an update on [Project Better Place](#), the electric car system that will soon be operational in Israel, focusing on its activity in China.

And finally, [news of an Israeli innovation that will make endoscopy procedures much more pleasant](#): a disposable camera smaller than a grain of salt.

Hapoalim chairman sees great potential in Israeli-Arab sector

By Mira Awwad
May 11, 2011
[Globes](#)

"Israel's business sector is beginning to discover the great potential of the Israeli-Arab population and business community." It has greater growth potential than other communities, Bank Hapoalim chairman Yair Seroussi told the Arab Business Conference in Nazareth today.

Seroussi added, "Bank Hapoalim is already very active in the Israeli-Arab population and business community, and we intend to do much

more." He called on the audience to seize the opportunity resulting from the Israeli-Arab community's more rapid growth, which is faster than the growth of the general economy.

Seroussi said, "Recent studies pointed to two factors, which I believe create opportunities. The first is the employment gap and standard of living gap compared with the general population, and the other is the encouraging and impressive narrowing of the education and skills gap. Add to this the fact that the Arab population is younger, and you have a field of potential growth."

Seroussi said that equalizing the income of Israeli Arab and Jewish men amounted to an addition potential of NIS 10 billion, and that full use of Israeli Arab women's labor potential would quadruple this potential from the current NIS 7 billion to NIS 28 billion. Modernization of Israeli-Arab businesses and managerial experience was boosting companies' turnover, requiring the need for growth capital, and raised issues related from the change of family-owned firms to public companies. [Read more](#)

News from Yokneam Megiddo - St. Louis Jewish Community's Sister City

Tech diplomacy: Israeli CEO hires Palestinian programmers

Doing so costs more for Eyal Waldman than outsourcing to Eastern Europe. But the CEO of Israel's Mellanox Technologies says the investment in peace is worth it.

By Joshua Mitnick
April 22, 2011
[Christian Science Monitor](#)
Ramallah, West Bank

The last time chief executive officer Eyal Waldman had been to the Israeli-occupied West Bank was as a soldier. But when he needed to outsource some work for his fast-growing Israeli technology company, he chose an unconventional solution: hiring Palestinian programmers from Ramallah.

The year-old experiment has worked so well that the firm, Mellanox Technologies, expects to establish a research and development center in Ramallah. Even if it costs more than a similar operation in Eastern Europe, Mr. Waldman says there's an intangible upside: boosting political stability by employing Israel's neighbors.

"We think that it makes our whole economy and whole geopolitical situation better," he says.

The CEO's vision of business and politics harks back to the 1990s, when excitement about the Israeli-Palestinian peace process prompted talk of a new Middle East - including burgeoning economic ties between Israel and Arab countries. But in the ensuing decade Israel erected a security barrier to prevent Palestinian attacks, making any cooperation with Palestinians at least seem like a pipe dream.

In recent years, however, the Palestinian uprising has subsided and Israel has relaxed some of its movement restrictions, giving the West Bank economy a chance to grow. It's also provided an opportunity for cross-border joint ventures.

A viable Israeli-Palestinian business model

Mellanox's development teams usually hold meetings via video conference, but Palestinian programmers also travel through Israeli military checkpoints at least once every two weeks for meetings. Waldman himself has twice visited Ramallah, where he was impressed by the building boom under way in the city - the seat of the Palestinian government.

Israel's technology industry - which lures investment from leading tech multinationals - is located less than 50 miles from Ramallah, a proximity that facilitates cooperation. Asal Technologies, the

outsourcing firm that supplies programmers for Mellanox, gets 40 percent of its work from Israeli companies and Israeli branches of multinational companies such as Intel.

"We are close by, in the same time zone, and have the same [Friday-Saturday] weekend. They know us and we know them," says Asal chief executive Murad Tahboub, who sees the potential for boosting not only business but peace as well.

"Palestine was never on the radar of the information-technology industry worldwide. But there is a viable business model, and it helps the region.... Having a good economy is good for the Palestinians, which makes people more open to living peacefully." [Read more](#)

[Read more](#) about [Mellanox Technologies Ltd.](#) (Nasdaq: [MLNX](#)), a Yokneam company that recently reached a \$1billion market capitalization.

Better Place in China

Through Better Place, Israel Corp. is targeting China's \$15 billion electric car market and its \$60-100 billion smart grid project.

[Globes](#)

May 8, 2011

By Dubi Ben-Gedalyahu

Anyone who has tried to put together a 5,000-piece puzzle knows that the best way to carry out the task is to have an overall picture. Electric car venture [Better Place LLC](#) is a multidimensional and multilayered puzzle whose pieces are scattered all over the world.

Every few months, new pieces of the puzzle appear somewhere in the world, and some of them raise eyebrows in the motor vehicles industry. That was the case with the announcement by HSBC Holding plc (LSE: HSBA; HKSE: 005; NYSE, Paris: HBC), not known as a bank to make adventurous investments, that it would invest \$125 million in Better Place. That was also the case with the announcement of a strategic partnership with the venture by General Electric Company (NYSE: GE).

[Read more](#)

World's smallest medical camera will make medical procedures less uncomfortable

[Geek.com](#)

May 5, 2011

By Jennifer Bergen

If you've ever had a procedure done using an endoscope, you can agree that it's not the most pleasant experience. A trip to an otolaryngologist, also known as the ear, nose and throat doctor, can result in a tiny tube with a camera on the end being inserted through your nose and down to your throat. This procedure is nothing compared to the work endoscopes do in such fields as cardiology and in robotic surgery. Thanks to the world's smallest video camera, things might be getting a little easier.

Developed by Medigus, a medical tech company based in Omer, Israel, the new camera is just 0.99mm in diameter, which is smaller than a grain of salt. The camera will be an asset for delicate procedures in the areas mentioned above, as well as in gastroenterology, orthopedics, gynecology, robotic surgery, and let's just add urology in there for good measure.

The silicone-based video camera is actually pretty inexpensive, which means it can easily be disposed. When a product is manufactured and sold in such large amounts, it results in the costs being low enough to make them disposable, which means no messy cleanup for the nurses. There will also be a reusable version for those earth-friendly doctors who prefer not to dispose of unnecessary materials. [Read](#)

[more](#)

About the e-newsletter

Welcome to [IBTEC's](#) e-newsletter. The e-newsletter brings updates on the various aspects of Israel's business and technology developments to the St. Louis community. You will also find updates from the Yokneam-Megiddo region-a sister region to St. Louis, as well as connectable and actionable items. *The JCRC does not endorse or support any specific consumer and/or investment products.*

About [IBTEC](#): The Israel Business and Technology Committee ([IBTEC](#)) is a [JCRC](#) initiative that focuses on Israel's business and technology sector, sharing with the St. Louis business and technology community the outstanding opportunities Israel offers in this area.

Contributions to support the work of [IBTEC](#) will be gratefully accepted.

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*Jewish Community Relations Council of St. Louis
12 Millstone Campus Drive, St. Louis, MO 63146-5776 E-mail: jrcrstl@jrcrstl.org
314-442-3871*

*Visit our website at www.jrcrstl.org
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