

Science, Technology and Telecommunications Committee

Presentation by

Susan F. Keith, the New Mexico-Israel Business Exchange

New Mexico-Israel Business Exchange

The New Mexico-Israel Business Exchange is an organization created last year by Robert Efroymsen under the auspices of the Jewish Federation of New Mexico. It is a membership organization; and we are fortunate to have the support and involvement of many prominent community members from across the state including several who are participating here today and tomorrow.

The mission of the New Mexico Israel Business Exchange is to raise awareness about Israel's innovative entrepreneurial activities within the state, to create a network of individuals and organizations interested in pursuing opportunities with Israeli businesses and organizations, to encourage collaborative relationships between New Mexico and Israel, and to improve infrastructure support for successful ventures.

The book, Start Up Nation, tells the story of Israel's economic miracle. From 1996 to 2000, Israeli technology exports more than doubled from \$5.5 billion to \$13 billion. When the tech bubble burst, exports dropped slightly to a low of slightly less than \$11 billion in 2002 and 2003, but then surged again to almost \$18.1 billion in 2008. In other words, Israel's technology engine was barely slowed by the multiple hits it took between 2000 and 2004 and managed not just to recover but to exceed the 2000 boom level of exports in 2008.

What are the factors that contributed to this success?

Ricardo Hausmann is a world renowned expert on national economic development models. He says all countries have problems and constraints, but what's striking about Israel is the penchant for taking problems—like the lack of water—and turning them into assets—in this case, by becoming leaders in the fields of desert agriculture, drip irrigation, and desalination.

Gavriel Iddan used to be a rocket scientist for Rafael, a company that is one of the principal weapons developers for the Israel Defense Forces. He specialized in the sophisticated electro-optical devices that allow missiles to “see” their target. Iddan had a novel idea: he would adapt the newest miniaturization technology used in missiles to develop a camera within a pill that could transmit pictures from inside the human body.

Many people told him that it would be impossible to cram a camera, a transmitter, and light and energy sources into a pill that anyone could swallow. Iddan persisted, at one point going to the supermarket to buy chickens so he could test whether the prototype pill could transmit through animal tissues. He started a business around these pill cameras, or PillCams, and named his company Given Imaging.

The story of Given Imaging is not just one of technology transfer from the military to the civilian sectors, or of an entrepreneur emerging from a major defense technology company. It is an example of a mashup, of someone combining not only the disparate fields of missiles and medicine but integrating a staggering array of technologies—from optics to electronics, to batteries, to wireless data transmission, to software, in order to help doctors analyze what they are seeing.

What Israeli technology might be of particular interest here in New Mexico?

One example is IDE Technologies Limited, <http://www.ide-tech.com/>, which was a contender for the 2012 World Technology Award. The company's advanced industrial water treatment solutions take a comprehensive, integrated, end-to-end approach to the water treatment needs of the oil & gas and coal power industries. Leveraging advanced thermal and membrane technologies refined over half a century, IDE's systems offer a broad range of unique features and benefits, including a horizontal modular design, that reduce field set-up costs and facilitate fast installation. Once deployed, the systems' remote monitoring and control features make them easy to operate and maintain while assuring highest availability over decades of use.

Nirosoft, <http://www.nirosoft.com/>, specializes in the design, manufacture, installation, operation and maintenance of advanced water and wastewater treatment systems. The company provides turnkey solutions in all types of environments — its tailor made systems can reliably deliver high quality water to densely populated areas, remote communities and complex industrial sites. The company is committed to supplying water wherever it is needed, such as deploying emergency mobile water treatment units in disaster areas, using desalination to supply potable water, treating and reusing wastewater, and producing demineralized water for industry.

bSolar, <http://www.b-solar.com/>, produces bifacial PV crystalline silicon solar cells that provide additional 10% to 30% electricity per cell. Unlike standard mono facial (single side) silicon PV cells, which collect energy only by their front-side (sunny-side), the bifacial cell has an open backside, which enables collection of the substantial amount of reflected light available from the earth, rooftops, clouds and the atmosphere.

How does NMIBE support collaboration between New Mexico and Israeli technology developers?

In addition to current available technology offered by Israeli companies, there are Israeli funds that promote Israel-US technology collaboration. These funds include:

The BIRD Foundation - US-Israel Binational Industrial Research and Development Foundation, <http://www.birdf.com/>

The US-Israel Science and Technology Foundation, <http://www.usistf.org/> and

The US-Israel Binational Science Foundation.
<http://www.bsf.org.il/BSFPublic/Default.aspx>

The New Mexico-Israel Business exchange provides information to local businesses about these funds and is a resource for pursuing opportunities with them. In March, NMIBE organized a workshop featuring the executive director of the BIRD Foundation who explained the fund and its application process. Representatives of one of the companies attending, Tri-Lumina, submitted an application; and the company is one of eight BIRD awardees in the US.

NMIBE recommendations for legislation related to science and technology

In regard to Israel's leadership in technology commercialization, there is an opportunity, through collaboration, to either export New Mexico technology to Israel or collaboratively develop new technology that can be exported to other countries. We feel that increased funding of export promotion by the state could provide needed support to that effort. In 2011, Israel ranked second as a market for New Mexico products. For the first two quarters of 2012, exports to Israel increased 606 percent from the same time the previous year to \$671,715,882.

How does New Mexico export promotion compare to that in other states? New Mexico is fortunate to have dedicated representation by Ed Herrera and Sandra Necessary at the New Mexico Department of Economic Development and by Sherwin Pomerantz and Seth Vogelmann in Israel. The recently formed Albuquerque Bernalillo County Trade Alliance led by Randy Trask is providing additional trade assistance. The New Mexico-Israel Business Exchange has also enjoyed the support of the Israel Economic Mission in Houston.

There are examples of organizations similar to the New Mexico-Israel Business Exchange in other parts of the country. One example is the American-Israel Chamber of Commerce. According to its website, the American-Israel Chamber of Commerce, Southeast Region was established in 1992 as a private, not-for profit (and non-governmental) business organization to boost the Israeli and Southeastern economies

by helping their companies develop business relationships with each other and explore new market opportunities. With over 500 members today, AICC is headquartered in Atlanta and serves companies from Georgia, Alabama, North Carolina, South Carolina, Tennessee, Mississippi, and Israel.

AICC has earned the reputation as one of the most successful and effective bi-national business organizations in the United States, delivering great value to Israeli companies seeking U.S. market entry, to American companies desiring entry into Israel and entrée to her incredible technologies, or to those looking for a powerful network to promote their products or services.

In 2010, Georgia ranked 12th among U.S. states in dollar value of exports. Georgia's exports increased 20.89% over 2009. According to Georgia's 2010 Trade Stats published by the Georgia Department of Economic Development in February 2011, Israel was not, however, one of the state's top ten export markets. Georgia has a Trade (export promotion) budget of about \$2.1 million. This is approximately 6% of the total budget for the Dept. of Economic Development. On its website, the department states, "Exporting is not just about increasing profits; it is also about diversifying markets, and gaining a competitive edge through global exposure to new technology, innovations and competition."

In closing, the New Mexico-Israel Business Exchange is working to provide services that help create opportunities and new markets for technology developers who can find competitive advantage by having an Israeli partner. Based on trade statistics from the International Trade Administration, it is clear that Israel is a critical partner, especially in the area of technology. The state can assist us by increasing its support of export activity.