



PRESS RELEASE

Small, savvy, high-tech firms preponderate among Israeli multinationals, survey finds

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Jerusalem and New York, September 2nd, 2009 — The second annual survey of Israeli multinationals has found that a large number of small firms figure among Israel's most successful investors abroad.

The survey released today by three Israeli institutions – the Manufacturers Association of Israel, Tel Aviv University, and Hebrew University – and the Vale Columbia Center on Sustainable International Investment (VCC) at Columbia University in New York is part of a long-term study of the rapid global expansion of multinationals from emerging markets.

The report identifies 20 sizeable multinationals and ranks them on the basis of their **foreign** assets. These 20 companies are among the largest outward investors from Israel, which in 2007 – the latest year for which comprehensive data was available – jointly accounted for:

- USD 12 billion in foreign assets
- USD 26 billion in foreign sales
- 68,000 in employees abroad
- 545 foreign affiliates (branches, subsidiaries, etc.) around the world

The leading company on the list of 24 was Israel Chemicals, primarily in the chemical fertilizers business, which accounted for nearly 20% of the foreign assets on the list. It was followed closely by Amdocs, a firm supplying IT services; Teva, a pharmaceuticals firm; and Ormat, which constructs and operates environment-friendly power stations around the world. Although Israel Chemicals occupies the top spot, it is the three firms that follow that are the most representative of Israel's foreign commercial presence. It is Teva, for example, that leads in foreign employment (over 22,000) and foreign sales (over USD 9 billion), followed in **both** categories by Amdocs.

Even though the report draws mainly on 2007 data, it also supplies some information about large Israeli investments in 2008. The largest acquisition abroad in 2008 was by Teva, which bought an American company for USD 400 million. In greenfield investments, the lead in 2008 was taken by Israel Corporation, the parent firm of Israel Chemicals, which invested USD 800 million in an automotive plant in China.

Although outward investment fell sharply in 2007, to USD 7 billion from a peak of USD 15 billion in 2006, it rose again to nearly USD 8 billion in 2008, contrary to what might have been expected in the context of a global financial and economic crisis.

Some noteworthy features of the report's findings include the following:

- IT services lead the pack, taking up six of the 20 positions in the list.
- Beyond IT services, there are no leading industries. However, there is a preponderance of what might be called relatively high-tech industries: green power stations, pharmaceuticals, laser technology, satellites, electronic and optical equipment, and so forth.
- There are only four firms in what used to be Israel's industrial specialties: food products (2) and garments or wearing apparel (2).
- Israeli firms have an overwhelming preference for locating in Europe (279 affiliates out of 545), followed by North America (143). However, Asia is beginning to catch up, having doubled over the previous year (90 affiliates in 2007).

The survey was conducted in the framework of the Emerging Market Global Players Project, a collaborative effort led by the Vale Columbia Center on Sustainable International Investment. It brings together researchers on foreign direct investment from leading institutions in emerging markets to generate annual ranking lists of emerging market MNEs. Ranking lists for Argentina, Brazil, China, India, Russia and Slovenia have already been released, in addition to the 2006 ranking for Israel. Visit www.vcc.columbia.edu for further information, or contact vcc@law.columbia.edu.

The report is available at <http://www.vcc.columbia.edu/projects/#Emerging>, **the contents of which must not be quoted or summarized in the print, broadcast or electronic media before September 2nd, 2009, 10:00 a.m. Israel; 7 a.m. GMT and 3:00 a.m. United States EST.**

For further details about the survey as well as about the Israeli partners and the Vale Columbia Center on Sustainable International Investment (VCC), visit www.industry.org.il, www.recanati.tau.ac.il or <http://vcc.columbia.edu/projects/#Emerging>.