



# Why Israel and Japan Are a Good Pair

**Ruth Kahanoff**

**17th Ambassador of Israel to Japan**

Since graduating from Hebrew University with a major in International Relations and East Asian Studies, Her Excellency is committed in strengthening the bond between East Asia and Israel. Appointed to leadership positions including Head of the Asia and Pacific Department of the MFA, DCM in Beijing, and Head of Mission in Taipei.



## Israel: Global Leader in Research and Innovation

Israel is a world-known innovation hub where more than 300 multinational companies such as Microsoft, Google, Apple, Facebook, Intel, HP, Siemens, GE, IBM, Toshiba, and Cisco have established R&D centers realizing the potential of its highly educated, entrepreneurial, and multicultural workforce.

In a population of around 8.06 million, with a comprehensive business ecosystem, more than 1,000 new startups are founded per year in industries including New Media & Internet, Cyber Security, Water Technology, AgriTech, Health & Life Sciences, FinTech, and Automotive. In fact, the total number of new startups recorded in 2015 was 1,400 of which 373 companies raised around \$3.58 billion and 69 companies were sold for the total of \$5.41 billion; Mobileye, a global leader in vision technology for Advanced Driver Assistance Systems and autonomous driving, was acquired by Intel for \$15.3 billion! There are increasingly more activities in creating ecosystems gathering multinational companies, academic institutions, local companies and governmental institutions. For example, Cyberspark in Be'er Sheva focusing on Cyber Security and a new project up North of Israel for Health & Life Sciences.

## Strengthening Business Cooperation between Israel and Japan

We feel that the timing to develop a deeper business relationship between Japan and Israel is prime due to the intensifying competition in globalization -Japanese companies are now looking at open innovation- and

Israel, which is considered as the “startup nation” could supply advanced technologies. In retrospect, as Israel continuously innovates, Japan can perfect these innovations and take it to the next level. The potential in this highly valuable, cyclical relationship certainly has not gone unnoticed by both governments, and there have been considerable efforts to develop deeper business ties between the two countries.

In May, 2014, Prime Minister Netanyahu visited Japan announcing together with Prime Minister Abe on establishing “a new comprehensive partnership.”

In July, 2014, the R&D Collaboration Agreement was signed by Japan’s Minister of Economy, Trade and Industry, Toshimitsu Motegi and Israel’s Economic Minister, Naftali Bennett. This agreement paves the way for reciprocal support in joint industrial R&D projects between Israeli and Japanese companies and organizations.

In January, 2015 (8 years since Prime Minister Koizumi’s visit to Israel), Prime Minister Abe visited Israel



Prime Minister Abe’s arrival in Israel (Jan 18th, 2015).  
Photo: Amos Ben-Gershon (Israeli Embassy Website)

accompanied by a delegation of top Japanese government officials and industry executives, including NEC, Panasonic, and Mitsubishi Corp.

With the visits of both Prime Ministers, science and technology bilateral cooperation has also become more infused since the Agreement on Cooperation in Science and Technology in 1994. Some notable events within the research sphere includes the active cooperation between Israel Ministry of Science, Technology and Space and Japan Science and Technology Agency, funding a total of 19 projects as of now, and the signing of the Memorandum of Cooperation with Research Council Secretariat of the Ministry of Agriculture, Forestry and Fishers of Japan and Israel Ministry of Agriculture and Rural Development in November, 2016.

In May, 2016, a delegation from the Keizai Doyukai, the Japan Association of Corporate Executives visited Israel to learn about how Israeli innovation developed and succeeded.

## Signing of Investment Agreement

In February, 2017, Israeli Finance Minister Moshe Kahlon and Japanese Foreign Minister Fumio Kishida signed a bilateral investment treaty. This treaty establishes the terms and conditions for private investment by nationals and companies of one state in the other, providing protections for each other's foreign investments, including the assurance of fair and equitable treatment; protection from expropriation; the free transfer of means; and setting up alternative dispute resolution mechanisms.

These recent events show a significant shift in the Japanese perception on Israel to the "Silicon Valley of



Minister Kahlon and Minister Kishida signing the investment treaty.

the Middle East.”

We see a dramatic increase of investment by Japanese firms and in the number of Japanese companies local subsidiaries in Israel. Some recent examples would be the acquisition of Altair Semiconductor (a leading provider of LTE chipsets, playing a pivotal role in realizing the vision of IoT) by Sony, Dentsu bought abaGada Internet (a digital performance marketing agency establishing iProspect's network in Israel), Rakuten acquired Viber (an instant messaging and VoIP app for various mobile operating systems), Yaskawa Electric Corp. distributed Rewalk (a wearable robotic exoskeleton that provides mobility and empowerment for individuals with SCI), and Nissan Motor features Mobileye's collision avoidance system.

## Economic and Trade Mission of the Embassy of Israel

While the awareness of Israel's technological capabilities is growing in Japan, there are still uncertainties and obstacles that Japanese companies may face in developing business ties with Israeli companies. To alleviate these challenges, the Economic and Trade Mission of the Embassy of Israel, led by Noa Asher, functions as the bridge to develop and enhance trade relations between Israel and Japan as well as supporting various commercial transactions and economic cooperation. Through the Economic Mission, Japanese companies can gain instant access to interesting Israeli companies that are catered to their needs, business opportunities and learn and join upcoming events (conferences, seminars, and exhibitions). It is our sincerest hope that more Japanese business leaders will join us and be inspired by Israeli innovation.

イスラエル企業とのビジネスや、貿易、投資について、是非お問い合わせください。

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