

Israel's Economic and Innovation Infrastructure

In order to support innovation and entrepreneurial activity and helping promising startups in Israel, several supporting governmental bodies have been established:

- **MATIMOP**, which acts as a governmental principal technology clearinghouse in Israel as well as the coordinator of industrial R&D cooperation between Israel and the international Hi-Tech community.
 - o At the international level, MATIMOP administers the bi- and multilateral agreements.
 - o At company-level, MATIMOP administers the company-related agreements with a number of countries, e.g. European countries, Korea, China, and the U.S.
 - o MATIMOP is the national point of contact for several FP7 programmes (e.g. Eurostars, Galilæo and other ERA-networks).
 - o MATIMOP is Israel's representative in the EUREKA-cooperation.
 - o MATIMOP also has the capacity to facilitate cooperation agreements with universities and research institutes due to contacts with Israeli universities' Tech Transfer.
- The **Office of the Chief Scientist (OCS)**, a division of the Ministry of Industry Trade & Labor, which administrates and sponsors the highly successful **incubator program** (see below).

Successful Innovation and Entrepreneurial Programmes

Some of the successful governmental programs include:

- o The incubator program (created in early 1990s) of the Office of the Chief Scientist (OCS). Today, the OCS administers 24 incubators located throughout Israel. The aim is to integrate newcomers with local talent and to foster early stage technology development through entrepreneurship e.g. via allocating funds to incubators and other programmes which encourage technology development.
- o The successful governmental Yozma program was initiated in 1993 to stimulate venture capital and attract foreign investment, which has attracted major international venture investors from the US, Europe, and the Far East.

Framework Conditions

These policies along with policies of attracting FDI have furthered a fruitful climate for the so-called Israeli "serial entrepreneur", which has now been recognized as an increasing factor on the Israeli high-tech scene. The internationally oriented research milieu at the public research institutions is supported by a broad range of small- and medium-sized enterprises that work on implementing the newly generated knowledge into commercial products.

Life Science in Israel – an Example

Hence, Israel has increasingly become an active player within a broad range of knowledge-intensive research areas, including among other things ICT-technology, nanotechnology, and the life science industry. Taking the life science, biotechnology, and pharmaceutical sectors as an example, these sectors have experienced a decade of growth in Israel (Israeli Life Science Industry (ILSI)). This is seen for example in the way in which the Israeli life science sector has demonstrated a 14% compounded annual growth in the decade of 1998-2007. Out of the total of the existing 898 companies - spread between companies at the seed, the preclinical, and the clinical stages – more than 70% have been founded during this last decade, and more than one third have been established in just the last five years.