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On shooting and wars

Many years ago I was asked to greet the opening ceremony of the First Israeli Film Festival in New York. I told the audience that I wish the verb "to shoot" will be used in the Middle East only in the context of film making. So when the "cottage-cheese war" - fighting price hikes of essential food products - occupied the headlines of the Israeli media over the past month, my immediate reaction was: this is a kind of war I like! The facebook revolution, that has managed to shake up brutal regimes in our region, is now being utilised by groups of young people to enrol Israelis to protect their pocketbooks. The new war has now expanded to housing prices as well and who knows what's next. Maybe the long and unwelcome tradition of indifference by most Israeli consumers is beginning to crack down, another important milestone on the way to becoming a normal society.

A treaty went missing

On March 2009 the UK HM Revenue & Customs (HMRC) invited the Israeli State Revenue Administration to London for talks on a new Double-Taxation Treaty between the countries. The existing treaty is almost 40 years old and needs some refreshing. The burgeoning economic relations between the UK and Israel underscored the need. With the blessing of both foreign ministries the two professional teams sat down, reached an agreement and signed a modern version of the treaty. It relates to high-tech, intellectual property and offers new mutual benefits on withholding tax, dividends, REIT funds, pensions and many more. Everyone was happy and expecting the formal signatures by the ministers and ratifications by both parliaments.

More than two years have passed – and nothing has happened. First, the FCO under Secretary Miliband changed its mind and suggested that the treaty should not apply to any Israeli taxpayer living across the Green Line. Some noted cynically that the UK is beginning to adopt Middle Eastern business habits – first you sign, then you start the real negotiations... Then it was said that the new Tory government will have a different view and will remove the remaining roadblocks in no time. In the meantime Secretary Hague was in Jerusalem, Minister Lieberman visited London, but not a word has been said about the missing treaty. The business community of both countries are still in waiting.

Bad news for vicious shoppers

Fortunately not too often we hear about British shoppers who find it useful to call for the boycotting of Israeli products. After making sure that an invited media representative is present they would walk into their local supermarket, buy an item made in Israel and throw it at a video camera while screaming some hate words. So please be advised: almost all your shopping is somehow Israeli-connected. Whenever you buy in a UK supermarket it is highly likely that your basket is processed at the till by the Israeli technology group Retalix. They provide the billing systems for Tesco, Morrison's, Sainsbury, etc. etc. If you try to outsmart the system and run away across the Channel it won't help you too much – Retalix are all over France as well. And if your last hope is to sit at home and compare prices at Mysupermarket.com – welcome to another Israeli website! Of course, don't dare saving your search results on a disk-on-key device – it was also invented in Israel.

In search of excellence

I-CORE, the new Israeli Centres of Research Excellence, are clusters of academic excellence, developed by the Council of Higher Education, to assure Israel's academic ascendancy in the years ahead. I-CORE nurtures the careers of gifted Israeli researchers, encouraging those who

have left the country to return and enjoy generous research grants. Another objective of the programme is to foster synergy between academic institutions in Israel with similar research interests. The first group of centres will focus on computer science, molecular medicine, cognitive science and renewable energy. Initial funding for each I-Core is provided by the government and participating academic institutions for at least 5 years. All programmes are open for complementary funding from various business philanthropic sources.

http://www.che.org.il/template/default_e.aspx?PageId=536

Soul (nefesh) searching

Nefesh b'Nefesh is an organization that encourages immigration by Jewish people to Israel from North America and the United Kingdom. A growing interest in their services from financial and banking professionals has led them to conduct a survey about the potential of Israel to brand itself as a financial centre, where new professional immigrants may find jobs. Potential immigrants were asked for their opinion about the key messages that Israel should deliver in a theoretical PR campaign for that purpose. Most respondents recommend the following: Hi Tech innovation centre, strong economy, tax breaks and a bridge to Asia. When asked about the barriers, the most common responses were bureaucracy and being in a conflict Zone.

Market Watch: Hotels in Tel Aviv

Tel-Aviv has become a very popular international tourist destination. Its 7700 hotel rooms are gradually falling short of the burgeoning demand. Industry sources estimate that at least 1500 new hotel rooms will be required every 5 years. Earlier this month the municipality announced a new policy to encourage entrepreneurs to invest in building new hotels across the city. More hotels are to be located beyond the seafront strip, in new business centres as well as in its historic White City quarter, where attractive new boutique hotels can already be found. Special incentives are offered for the rezoning of residential buildings into hotels, expanded building rights, relaxation of parking and development requirements and mobilisation of building rights from conservation projects to hotel rooms. The city promises to cut short its bureaucratic processes and as a first step has nominated a new liaison officer for the hotel industry at City Engineer's office.

New high-tech hub

In September 2011 the British Embassy in Israel will launch a Hi Tech Hub, tasked with creating a lasting partnership between the UK and Israel. "The UK has recently published a White Paper on Economic Growth", says Ambassador Matthew Gould. "The only country with a specific commitment is Israel - it is now a national objective to promote the high tech partnership between the UK and Israel." During his recent visit to Israel the Lord Mayor of London, Alderman Michael Bear, attended an impressive gathering of Israeli entrepreneurs at the Ambassador's residence in Ramat-Gan.

The Hub's dedicated team will identify and bring innovative Israeli technology and R+D to UK-based companies; define the key sectors where UK/Israel collaboration could be particularly fruitful; match up, and forge partnerships between, UK and Israel based companies; position the UK in Israel as a centre for technological and services innovation; tie Israeli high tech players into UK capital markets; and offer the UK as the base of choice for Israeli high-tech companies in Europe. To find out more contact Alicia.zurszpiro@fco.gov.uk

Daniel Taub was confirmed by the cabinet earlier this month as Israel's new Ambassador to the Court of St. James. Daniel is a regular and popular spokesman on Israeli issues. He is somewhat less unknown as the scriptwriter of the Israeli TV series HeChatzer.

Ronit Harel Ben-Ze'ev, former Senior VP at the Tel-Aviv Stock Exchange, is the new Chief Executive at Standard & Poor's Maalot, the Israeli arm of the provider of credit ratings, risk evaluation and investment research.

Sigal Shlimoff-Rechtman is the new Israel representative of Lloyd of London. She replaces her partner Jonathan Gross, whose untimely death has shocked so many.

The 2011 Edition of the UK-Israel Business Directory is out. If you didn't get a chance to see a hard copy you may want to download the electronic version.

<http://www.paprikapro.com/images/images2006/uk-iseael.pdf> . Please note: it is a bi-lingual book, so for the English part go first to the last page, then leaf through backwards.