



New England-  
Israel  
Business  
Council

# Promoting Collaboration between New England and Israeli Businesses

NEIBC Newsletter

September, 2009

## In This Issue

[Four facts about investments in Israel](#)

[Upcoming Events](#)

[Non dilutive fund raising in the U.S](#)

## Did you know that....

*Four facts you might be surprised to read....*

Israel invests 4.5% of its GDP in R&D, which is the highest ratio of any country in the world

Four Israelis have won Nobel Prizes within the last 7 years, those being in the fields of Chemistry and Economics.

Israel is ranked 1st in the world for number of start-ups per capita and Ranked 3rd in the world for Venture Capital availability.

Israel is number one in patents issued per capita for Medical devices and number two of bio-pharma.

2008 IMD Global Competitiveness Yearbook

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Dear friends,

It is a great pleasure to introduce our newsletter. NEIBC has been growing steadily and so is its contribution to the local and the Israeli economy.

More Israeli and New England companies are approaching us for help in establishing ties with counterparts. Our professionals and our volunteers are delighted to assist.

Through our great collaboration with Brandeis University International Business School, last October we had a very successful clean-tech event with 15 Israeli companies attending. The coming New England-Israel Life Sciences Summit promises to be another outstanding event. Overall, we had multiple events in several industry sectors last year and more exciting events are planned.

We wish to thank our Board members, industry committee members and our volunteers for all their work. We also thank our members and sponsors, in particular the Consulate General of Israel and the CJP for their continued support and advice.

We hope to grow this newsletter in content and distribution and feel that you will find it very useful. We welcome your suggestions and contribution.

Wishing you and your families L'Shana Tovah! Health, happiness, prosperity, and peace!

**Yuval Malinsky**  
President

**Tami Durst**  
Executive Director

## Upcoming events:

**New England-Israel Life Sciences Summit:** Keynote speaker Israel Makov, Chairman, Given Imaging, and former CEO of Teva Pharmaceuticals  
Featured Speaker: The Honorable Governor of Massachusetts, Deval Patrick  
Guest Speaker: Dr. Paul Bleicher, Chief Medical Officer, Insight Health Technologies

The New England-Israel Life Sciences Summit will feature Israeli life sciences

## Quick Links

[www.neibc.com](http://www.neibc.com)

[www.mass.gov/moiti](http://www.mass.gov/moiti)

[Israeli Consulate to New England](#)

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**We welcome our newest members:**

[Berkshire Partners](#)  
[Onset Technology](#)  
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companies that offer cutting edge technologies in areas such as pharmaceuticals and biotechnology, medical devices and healthcare IT. The program will include networking opportunities and company presentations, followed by one-on-one meetings with potential research and collaboration partners, and select potential investors. The event is sponsored by the CJP, Mintz Levin, Phase Forward, Bank Hapoalim NY Branches and MOITI.

Pre-Summit Event: Monday, October 26, 5:00 PM - 8:30 PM Brandeis University

Conference: Tuesday, October 27, 8:30 am - 5:00 PM, Brandeis IBS.

[click here for details and registration](#)

### **The CEO's Dilemma - How to Drive Efficient Innovation in the Organization**

Speaker: Joe Barkai, Practice Director, Product Lifecycle Strategies, IDC Manufacturing Insights.

Joe Barkai will discuss the current technology, operational and macro-economic challenges facing product companies and how these impede the capacity of organizations to make effective decisions. This will be followed by a panel of executives representing the Israeli perspectives.

November 5, 07:30 - 10:00 AM Emerging Enterprise Center at Foley Hoag Bay Colony

Corporate Center, 1000 Winter Street, Waltham.

**Join us at IPRONET - the Israeli Professionals Network** for an exciting, high caliber, Hebrew speaking gathering for Israeli professionals in the Boston area.

October 22, MIT Sloan, Cambridge [click here to register.](#)

## **Non Dilutive capital raising in the U.S.**

The United States government awards more than \$100 billion in research support each year.

In this issue we chose to introduce you to only a few of the available sources for Israeli companies looking for non dilutive funds:

These monies are distributed from more than a dozen granting agencies that include the National Institutes of Health (NIH), the Department of Defense (DOD), the National Science Foundation (NSF), and the Food and Drug Administration (FDA). Most of this money (over 97%) goes to the university research establishment (mostly in the form of grants) and to large industry (in the form of contracts). These grant opportunities are open to for-profit and foreign entities; however, the intense competition from the basic research community creates an environment in which it is unusual for the small business to compete successfully.

The Small Business Innovative Research (SBIR) programs offer \$2.5 billion in grant awards to small for-profit companies in the biotechnology and engineering sectors. These companies must be 51% owned by American citizens, and all monies awarded must be spent in the United States. Awards range from \$100,000 for six-month projects to \$1,000,000 for two-year projects.

The FDA, the DOD and some private foundations offer awards that are open to small foreign companies. FDA grants for approximately \$1 million are available to support clinical trials for drugs and devices that treat "orphan" diseases. These are diseases that are characterized by prevalence of fewer than 200,000 in the United States. The clinical trials may be conducted outside the United States. More than 50 private foundations support research in a wide variety of disease conditions. These awards are usually very small (\$10-25,000). Some, such as awards from the Juvenile Diabetes Research Foundation, the Michael J.

Fox Foundation (Parkinson's Disease) and the CHDI Foundation for Research in Huntington's Disease are in the \$1 million range.

We thank Dr Neil Krieger Ph.D. West Rock Associates, for providing us with data. [www.westrockgrants.com](http://www.westrockgrants.com)

for hebrew version: <http://www.nebc.org/wp-content/uploads/2009/07/nun-dilutive-fund-raising.pdf>

## Invest with the best !

### Spotlight on the state of Massachusetts

**Mr. Patrick Bench , Director of Business Development at Massachusetts Office of International Trade & Investment (MOITI), describes the advantages Massachusetts has to offer to foreign investors as well as the unique features of the state in terms of tax regulation and human resources.**

Massachusetts is one of the most competitive and fertile states for doing business. Everything you need to run a successful company is in Massachusetts: aggressive tax benefits; a highly-skilled workforce; significant financial and funding advantages; and a "can do" political climate that welcomes businesses with open arms.

The technology-rich business climate in Massachusetts is enhanced by a pro-growth fiscal policy that offers a stable tax environment, an R&D tax credit among the most generous in the country, as well as a single sales factor tax incentive for manufacturers with taxing based only on "in Massachusetts sales". Additionally, our investment in the skills of our workforce is second to none. Massachusetts ranks number two in the nation in worker productivity. Everything you need to start, operate and expand your business is here in Massachusetts: a high performance workforce; renowned capacity for innovation; easy reach to the world's leading medical facilities and higher education institutions; a high quality of life; and a commitment to working with your business from the ground up, every step of the way.

#### **Additional advantages of doing business in Massachusetts:**

##### The Innovation Economy

First in Science and Technology Competitiveness (Milken Institute)

Highest Venture Capital Investment per Capita

One of the nation's largest R&D tax credits.

122 colleges and universities including MIT, Harvard, UMass and Others

##### First class workforce

First in science and engineering graduate students per capital (2007 development Report Card for the States)

First among leading technology states for adults with a BA/BS or higher

Tax Incentives- Massachusetts' R&D Tax Credit: 10% of the incremental qualified expenses occurring in Massachusetts. This credit may be taken in conjunction with the state's Investment Tax Credit, and constitutes one of the highest R&D tax credits in the nation.

Massachusetts' Investment Tax Credit: 3% - 5% of depreciable capital expense.

Biotechnology and Medical Devices Manufacturing Tax Rebate: A rebate plan for companies that create 10 or more manufacturing jobs in the life science sector. Under this new program, companies can receive a rebate equivalent to 50% of the income tax paid by the incremental employees, regardless of corporate profits.

for additional information visit our website: [www.MASS.GOV/MOITI](http://www.MASS.GOV/MOITI)

## Message from the Editors

Dear Members,

We hope you have enjoyed this issue of the New England Israel Business Council newsletter. In the future we will provide you, members of the NEIBC community, with details about the NEIBC activities and some more information and highlights that can be helpful and interesting for people who find this connection attractive.

The newsletter forms a new way of communication among the NEIBC community. We encourage you to send us your thoughts and feedback.

We look forward to seeing you all on October 26!

Best,

Sharon Raz, Shy Baranov.

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