



Report to: Economic Development Committee

Report Date: February 10, 2011

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**SUBJECT:** Israel Investment Attraction Program  
**PREPARED BY:** Christina Kakaflikas, Manager, Special Projects, ext. 6590

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**RECOMMENDATION:**

That the report entitled “Israel Investment Attraction Program” be received;

That the Town in partnership with the Regional Municipality of York, York University, and Miller Thomson LLP, lead a business mission to Israel,

That the Town be represented by a three person delegation composed of Mayor Scarpitti, Councillor Moretti (Chair of the Economic Development Committee), and the Manager Special Projects, Economic Development,

And that the cost of the mission not exceed \$29,000.00 and be expensed from within the 2011 “International Investment Attraction Program” Capital Budget Project #11003,

And that Staff be authorized and directed to do all things necessary to give effect to this resolution.

<a href="#">1. Purpose</a>	<a href="#">2. Background</a>	<a href="#">3. Discussion</a>	<a href="#">4. Financial</a>	<a href="#">5. Others (Strategic, Affected Units)</a>	<a href="#">6. Attachment(s)</a>
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**PURPOSE:**

To authorize business travel by Town officials to Israel May 20-29<sup>th</sup> 2011, to participate in the ILSI Biomed conference in Tel Aviv and to follow-up on initiatives undertaken with Israel in 2010. The mission is part of the Economic Strategy’s Global Markham program to promote Markham as a preferred investment location for information and communication technology, medical devices, New Media and other related high-tech companies.

**DISCUSSION:**

The Markham Convergence Centre (MCC) was opened in November 2010 as the key strategic investment through which the Town will grow its convergent medical technologies cluster. The MCC opened for business on November 1<sup>st</sup> and is now almost fully occupied with organizations, businesses and academia that together create an enabling environment to commercialize emerging medical technologies. In addition to facilitating the growth of local companies, the MCC will be a launching pad for targeted foreign companies seeking to enter the North American market.

In 2009, Israel’s exports in the Life Science Industry reached 6 Billion USD, with 71% of the sales done in the US, 19% in Europe, and 5% in the Far-East. Israeli life science companies export their products around the world, with main markets in North America

and the European Union (EU). Some companies establish subsidiaries in the United States or other locations for marketing and sales; others for strategic alliances for marketing, distribution, manufacturing and service.

Markham's business mission to Israel will focus on positioning the MCC as the launching pad for graduates of Israel's many incubators seeking to enter the North American market. There are 24 technological incubators in Israel today within which approximately 200 projects in various stages of R&D are being carried out at any given time. By the end of 2006, over 1000 projects had matured and left the incubators. Of these graduates, 57% have successfully attracted private investments. Forty per cent of the incubator graduates (since the beginning of the program) are still up and running. Israel's incubator program is the top producer of new business startups in Israel today, establishing over 70 new startups each year. (Source: Technological Incubator Program, Office of the Chief Scientist, Ministry of Industry, trade and labor)

The Economic Development Strategy, Markham 2020 and the Economic Development Marketing Program include a priority focus on "Building a Global Markham". The Town's international objectives are achieved through its inbound visits and outbound missions. In 2009, the Town of Markham received a delegation from Tel Aviv led by Mayor of Tel Aviv-Yafo Ron Huldai and delegates from the Tel Aviv Foundation. Delegates met with Mayor Scarpitti, Chairman Bill Fisch (Regional Municipality of York), John Livey (Town of Markham), and Stephen Chait (Town of Markham) and members of Markham's Corporate community including Ben Bar-Haim (AMD), Barry Fishman (TEVA), Leo Grunwald (ASG Financial), Pat Horgan (IBM), Mark Lievonen (sanofi pasteur), Lou Milrad (Miller Thomson), Kevin Tribe (York Technology Alliance), and Kalman Weber (Duplium). The visit was a courtesy call, a first step towards building a more active cross-market program of business development particularly in the life sciences cluster.

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Following the 2009 visit by the Mayor of Tel Aviv and delegates, Town of Markham Economic Development staff have been working with York University's Office of Research and Innovation, Miller Thomson LLP, and the Regional Municipality of York's Investment Attraction office to organize a business mission to Tel Aviv, Haifa and Jerusalem in May 2011 to coincide with the annual Israel Life Science Industry Biomed Conference in Tel Aviv.

### Tel Aviv

With a population of 404,400, Tel Aviv is the second most populous city in Israel and is classified as a beta+ world city, alongside cities such as Barcelona and San Francisco. Tel Aviv is the country's financial capital and a major performing arts and business center. The economy of Tel Aviv was ranked second in the Middle East in 2005. In 2010, *Foreign Policy's* Global Cities Index ranked it 50th globally, a step above Manila and behind Dubai (27th), Istanbul (41st) and Cairo (43rd). The city is an economic hub, home to the Tel Aviv Stock Exchange, corporate offices and research and development centers.

### *ILSI Biomed Conference*

The Israel Life Science Industry or ILSI is composed of medical device, biotechnology, pharmaceutical and medical service companies, universities and private research institutions, and providers of services to the industry such as venture capitalists, lawyers, accountants and incubators. The ILSI Biomed conference is an annual conference focusing on current and future innovations in the medical field. The conference is a meeting place for industry and academia from Israel and abroad. In 2010, the conference drew 6,000 industry players, engineers and scientists, with 1,000 participants from 42 countries and in excess of 2,500 one-on-one meetings. The 2011 conference features:

- A full day Cardiovascular Symposium and seminars focusing on the patient of tomorrow, preventative medicine, oncology, orphan diseases, CNS diseases, and regulation/reimbursement
- 60 presentations given by Israeli medical device and biopharma companies
- Cutting-edge keynote addresses by prominent industry leaders from Israel and abroad
- A platform where science, technology, academia and industry come together
- Present up-to-date issues around the economical and regulatory landscape and the future of healthcare through a variety of panels on industry topics and trends
- Personalized one-on-one meetings and networking opportunities
- Start-up Pavilion where a wealth of innovation is displayed

### Haifa

Haifa is Israel's third largest city and is located about 90 kilometres (56 mi) north of Tel Aviv and is the major regional center of northern Israel. Two respected academic institutions, the University of Haifa and the Technion, are located in Haifa, and the city plays an important role in Israel's economy. It has several high-tech parks, among them the oldest and largest in the country, an industrial port, and a petroleum refinery.

### Markham's Objectives for the mission:

The purpose of Markham's proposed mission to Israel in 2011 is focused on promoting industry and global awareness of the new Markham Convergence Centre, the new Regional Innovation Centre ("VentureLab"), and our region's strategic interest in hosting/fostering medical devices and convergence. The mission has three specific objectives/deliverables:

- The signing of a Memorandum of Understanding (MOU) between Town of Markham and City of Tel Aviv (focused on life sciences and building knowledge-based communities)
- The signing of a MOU between Markham/York University/Tel Aviv University (focused on medical devices and the Markham Convergence Centre)
- The negotiation of partnership/protocol agreement(s) between MCC and Israeli incubator(s) to facilitate movement of graduate companies to North America via Markham (MCC)

To-date over 20 individuals have expressed interest in participating in the mission. It is anticipated that there will be 12-15 persons on the mission including the following committed/confirmed firms and individuals: Regional Municipality of York (Bill Fisch, (Chm. And CEO), Robert Unterman (Economic Developer); York University Stan Shapson (VPRI); Miller Thomson LLP (Lou Milrad, Daniel Rothberg); Lions Peak Capital (Leo Grunwald). The Israel Economic Mission in Toronto and the Canadian Embassy in Israel are also providing support for the mission.

#### Draft Agenda:

Friday, May 20	Depart Toronto (arrive Tel Aviv Sat. am)
Sat., May 21	Arrive in Tel Aviv and check in to hotel Orientation Itinerary briefing meeting and Mission Kick-off
Sun., May 22	Business to Business meetings (all day to take place at hotel)  Miller Thomson business reception (75 expected attendees from the business and venture capital community)
Mon., May 23	ILSI Biomed and visits including: Canadian Embassy, incubators, City of Tel Aviv
Tues., May 24	ILSI Biomed and Corporate visits (possibly TEVA)
Wed., May 25	Haifa site visits including Technion, IBM, incubators, hospital)
Thurs. May 26	Haifa corporate visits
Fri., May 27	Jerusalem government-to-government visits

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	Corporate visits
Sat., May 28	Jerusalem orientation
Sun., May 29	Depart for Markham

**FINANCIAL TEMPLATE**

The cost for organizing the mission and for three Markham representatives to participate on the mission is \$29,000 including any applicable taxes. This includes the cost of airfare, accommodations, ground transportation, meals, production of marketing materials, pre-mission meeting arrangements, in-market events and presentations.

ILSI registration, travel, meals and accommodations @\$6,000	\$18,000
In-market events, rentals and presentations	\$4,500
Pre-mission preparation, research, marketing and materials	<u>\$6,500</u>
Total (including taxes)	\$29,000

The estimated \$29,000.00 will be funded from within the 2011 "International Investment Attraction Program" Capital Budget Project #11003.

**ALIGNMENT WITH STRATEGIC PRIORITIES:**

The business mission to Israel is an integral part of the Town's 10-Year Economic Strategy, "Markham 2020". The Mission focuses on two of Markham's 4 targeted economic sectors, the convergence of ICT and life sciences, and addresses the objective of building Global Markham and Branded Markham.

**DEPARTMENTS CONSULTED AND AFFECTED:**

N/A.

**RECOMMENDED BY:**

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Stephen A. Chait, Ec.D., CMC  
Director, Economic Development

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Jim Baird, M.C.I.P., R.P.P.  
Commissioner of Development Services

**ATTACHMENTS:**

A. ILSI Biomed Program