



Middle East Spotlight

Laboratory for Life

Israel has made a name for itself throughout the world in the traditional hi-tech sector. Tech giants like Google and Microsoft have purchased Israeli firms and opened research facilities in the “startup nation,” taking advantage of Israel’s highly educated and creative workforce.

Less well-known, however, is the Jewish state’s success in the life sciences field, where technology is harnessed to develop medical devices and life-saving drugs. The Israeli life sciences sector accounted for some \$6 billion in exports in 2009, mostly to the United States. Israel tops the world in medical device patents per capita and is fourth in the world for biotechnology patents per capita.

The success of Israel’s life sciences sector can be traced to the country’s entrepreneurial culture and world-renowned research institutes, such as the Technion and Weizmann Institute of Science, which have produced a number of Nobel Prize laureates and often partner with government-supported startups.

Israeli breakthroughs in the life sciences include the world’s best-selling drug for the treatment of multiple sclerosis, Copaxone, which was originally discovered at the Weizmann Institute. Pillcam, the first miniature ingested camera that diagnoses and photographs abnormalities in the gastrointestinal tract, was introduced by Israel-based Given Imaging.

American companies have recognized the potential for cooperation in this field and are pursuing projects that combine U.S. resources with Israeli knowhow. Massachusetts-based medical device giant Covidien has announced three acquisitions of Israeli firms this year alone. GE Healthcare and Intel have opened a lab in Israel to jointly test new technologies. And a life sciences delegation led by the U.S. Chamber of Commerce visited Israel earlier this year, exploring further opportunities for collaboration.

Israeli firms are also investing in the United States. Teva Pharmaceuticals, founded in Jerusalem in 1901 and now the largest generic drug manufacturer in the world, employs more than 8,000 people across North America. The company is considering building a new research and development facility in New Jersey, and signed a letter of cooperation with Governor Chris Christie when he visited Israel in April.

The increasing importance of healthcare in the global economy has made investment in the life sciences particularly attractive. Drawing upon their unique advantages, the United States and Israel are partnering in various ways to expand their commercial relationship in this area and thus strengthen the longstanding alliance between the two countries.