

There is a large and growing demand for satellite receiving stations, and for V-SAT's (Very Small Aperture Satellite) communications for data transmissions. Israel is a member of both Intelsat and Inmarsat and receives all DBS transmissions aimed at Europe, as well as those from the Intersputnik and Raduga Soviet satellite systems.

**Telephony** - At present, approximately 53% of Israel's phone system operates on digital exchanges. Telrad, an Israeli firm, makes 20% of the locally manufactured exchanges using Canadian technology. The other 80% of locally made exchanges are manufactured by Tadiran, using Belgian technology from Alcatel. The only telephone company in Israel at present (a monopoly) is Bezeq, which intends to invest heavily in telecommunications equipment. Bezeq's 1993-1997 5 year plan calls for an investment of NIS 8 billion (approximately US\$ 3.3B), including a significant increase in the number of public telephones, infrastructure to accommodate up to 180,000 cellular phones, the laying of 66,000 km. of fibre optic cables, and much more. This plan may be compressed into a shorter time period (3 years) in order to accelerate investment in the telecommunications infrastructure. Bezeq's general policy is to purchase about 85% of its equipment from local sources and the rest from abroad.

**Cellular Mobile Telephones** - At present, the market for cellular mobile telephones, which grew by 51% last year, is a monopoly controlled by Bezeq and Motorola. However, it is likely that an international tender will be proffered in 1994 for other customer equipment and in 1997, for another supplier of systems.

Despite the country's small size, Israeli sales in telecommunications reached US\$670M in 1991 and data communications sales reached US\$150M in 1991. There is a great commitment to the industry as evidenced by the fact that approximately 70% of all R & D monies are invested in electronics. With its highly qualified labour force, Israel is well positioned for joint ventures with leading telecommunications companies. Israel also exports telecommunications equipment to several African countries and these are potentially an excellent market for Canada-Israel joint business ventures.

## **SECURITY PRODUCTS**

Responding to Israeli special security needs, Israeli industry has developed a variety of high quality security products. Included are devices ranging from surveillance equipment, smart fences, through various types of metal, chemical and other detectors, personal protection equipment, identification systems, to physical security material.

The local market is estimated to be in the range of \$50 M per year. Opportunities in marketing to the local market lies in those areas which Canadian companies have special expertise which is not available in Israel. Another area of opportunity exists in joint venture partnership with leading Israeli security products companies.