

Israeli enterprises have fully computerized their management infrastructure and many have on-line production control, CAD/CAM applications, office automation, and communication networks. In the education sector, it is noteworthy that as a result of collaboration between the private and public sectors, a wide range of educational software is in use throughout the country.

Due to the limitation of the local market's size and because of the relatively large investment required for software development, many Israeli software houses have become experts in packaging software as self-contained units which can be marketed/sold by others. There is significant potential for cooperation via the following channels: marketing agreements with distributors and systems houses; out-sourcing, contract programming and joint projects with Israeli software houses; joint ventures with hardware/software companies in several potential venues, such as jointly-owned development centres or software package development under OEM agreements.

## **TELECOMMUNICATIONS & ELECTRONIC EQUIPMENT**

In Israel, major investments are being made in infrastructure in order to modernize and improve the country's present communications/telecommunications systems and to provide new services for businesses and private consumers. There is a clear trend towards privatization of government owned corporations and towards opening up of monopolies to competition.

About US\$1.8 billion is expected to be invested in the field of telecommunications over the next three years. There are major opportunities for Canadian suppliers since the Israeli government and business community view Canadian achievements in the field very favourably. The Israeli delegate to Intercomm '90 noted that prices for Canadian equipment are approximately 20% less expensive than similar equipment made in the U.S.A.

Under the terms of a 1985 agreement, almost all Canadian equipment with DOC approval is automatically approved after a very short waiting period (7 days). There are opportunities for the Canadian telecommunications industry in Israel in the following four fields: 1 - Transmission for VHF and UHF television systems (PAL standard), cable TV, AM medium and short-wave radio; 2 - Two-way radio and satellite communications; 3 - Telephony; 4 - Cellular mobile telephones.

**Two-Way Radio and Satellite Communications** - Two-way radios in Israel operate on the same systems and frequency allocations as in Canada and the U.S.A. The number of two-way radios has doubled every five years since they were introduced. Today there are about 310,000 two-way radios, cellular telephones and pagers, with an annual growth rate of 15% - 25% (1991 rate: 25%). Motorola Israel controls 80% of the market with the other 20% divided between European and Japanese companies. No Canadian companies are presently in the market, to the best of our knowledge.