

You deserve a factual look at . . .

## The Economic Miracle of Israel

### What does it mean to American investors?

Israel is a very small country – it is smaller by half than San Bernardino County in California. It would sink in Lake Michigan without a trace. It has barely 8 million citizens. It has been in existence for just 60 years. But it is an economic powerhouse.

#### What are the facts?

**Steady Economic Growth.** Ever since its creation in 1948, Israel has been involved in bloody warfare virtually without surcease. There were three or four “formal” wars, each of which Israel’s enemies promised to be a “war of extermination.” To use their favorite phrase, they vowed to “wipe Israel off the map.” Fortunately, none of this came to pass. Despite its small size and small population and being vulnerable from all sides, Israel has prevailed in all those wars. And it has survived the several “intifadas” imposed on it by the Palestinians. Despite that and despite gathering in millions of refugees from all over the world and despite having over one million Muslim Arab citizens, who do not serve in the military and who are openly hostile to their country, Israel has developed into an economic and industrial power that is admired in the world.

Impressive statistics can be cited. Here are just a few: Israel’s gross domestic product (GDP) was over \$170 billion in 2006. That works out to a per-capita product of over \$20,000. It compares favorably with most long-established European countries and approaches that of the United States. The United States is Israel’s most important trading partner. In the most recent year for which reliable statistics are available, two-way trade amounted to about \$30 billion, representing a steady 10% yearly increase over the last several years. The principal exports from the United States include civilian aircraft, telecommunication equipment, semiconductors, and medical equipment. The two countries signed a Free Trade Agreement (FTA) in 1985, and an Agricultural Trade Agreement (ATA) in 1996. Israel also has free-trade agreements with the E.U., Turkey, Jordan, and Mexico. Other free trade agreements are in negotiation.

Israel’s main exports to the United States and the world at large are polished diamonds, electronic communication equipment, medical and scientific equipment, chemical products, agri-technology, and textiles.

**A World Leader in Many Fields.** In contrast to its Muslim enemies, who have virtually no indigenous industry, whose people are largely illiterate, but who have been blessed with natural riches through their almost limitless petroleum

resources, Israel has virtually no natural resources. Its principal resource is its people’s brain power. Israel’s universities and technical schools are world-class, most outstanding among them Hebrew University in Jerusalem and the Technion in Haifa, which is considered to be on the same level as the Massachusetts Institute of Technology.

The energy and resourcefulness that have enabled Israel to absorb millions of immigrants and to convert a desolate land into one of green fields and modern cities are also reflected in Israel’s economic development. Israel is a modern industrial state whose output encompasses some of the most advanced and sophisticated technology in the world. Its industry is concentrated in high technology and high-added-value products, based primarily on scientific and technological creativity and innovation.

Israel is a world leader in medical devices and medical electronics, military electronics, civilian and military aviation, agri-technology, telecommunications, computerized graphics, cellular telephones, microchip technology and voicemail technology, water technology and desalinization, and many others. It has 31 desalinization plants, including the largest in the world, located in Ashkelon. Warren Buffett, perhaps America’s most astute investor has recently made a \$4.5 billion investment in an Israeli company. When asked why he chose Israel as his first investment outside of the United States, he replied, “Some Americans came looking for oil, so they didn’t stay in Israel. We came looking for brains, so we stayed in Israel.” Scores of Israeli stocks are traded on NASDAQ. Next to Canada, Israel is by far the most represented country on that exchange.

Domestic tranquility, a western legal system, the full infrastructure of transportation, communication and utilities, but primarily its educated and motivated population make Israel attractive to foreign investors and industry.

Virtually all major hi-tech U.S. companies have installations in Israel, either manufacturing plants or research laboratories or both. Such companies as IBM, Digital Equipment, Intel, National Semiconductor, Motorola and many others have established plants in the industrial parks mushrooming around the country’s academic institutions.

Israel’s economy is vibrant and growing, and offers countless investment opportunities in industry, agriculture, real estate, tourism, commerce, science and medical R&D, and much more. The opportunities that abound for domestic and foreign investors are almost limitless. What this small country has accomplished in just 60 years and against all odds is truly amazing. The emerging nations and “third world countries” should take the economy of Israel as an example and attempt to emulate it.

---

**“The emerging nations and “third world countries” should take the economy of Israel as an example and attempt to emulate it.”**

---

This ad has been published and paid for by

# FLAME

Facts and Logic About the Middle East  
P.O. Box 590359 ■ San Francisco, CA 94159  
Gerardo Joffe, President

FLAME is a tax-exempt, non-profit educational 501 (c)(3) organization. Its purpose is the research and publication of the facts regarding developments in the Middle East and exposing false propaganda that might harm the interests of the United States and its allies in that area of the world. Your tax-deductible contributions are welcome. They enable us to pursue these goals and to publish these messages in national newspapers and magazines. We have virtually no overhead. Almost all of our revenue pays for our educational work, for these clarifying messages, and for related direct mail.

113A

To receive free FLAME updates, visit our website: [www.factsandlogic.org](http://www.factsandlogic.org)