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Israel and the United States: Two Nations, One Unbreakable Bond

Forward

Israel and the United States enjoy a deep friendship that is centered on the shared values of peace, democracy, freedom and progress. The numerous and multifaceted ties between our two nations, highlighted by the visit of President Trump to Israel in May 2017, and the historic opening of the US Embassy in Jerusalem in May 2018, are a testament to the two nations' unbreakable bond.

The shared vision of the United States and Israel serves as the foundation for their myriad security, economic and academic joint ventures that bring tangible and mutual benefits to both nations.

Economy and Innovation

Despite Israel's small geographic size, its contribution to the US economy and its cooperation with US institutions on federal, state, and private levels is impressive. Israel has a strong presence in many sectors – including civil aviation, science, energy and space.

Trade and Investment

- The US-Israel Free Trade Agreement signed in 1985 was the first of its kind signed by the United States. Since its entry into force, trade between the countries has steadily increased, reaching \$39 billion in 2017.
- With 90 Israeli companies valued at \$40 billion already traded on NASDAQ, Israel has more companies listed than any country outside the United States, save China.

Research and Development

- The US is Israel's most prominent R&D partner, with hundreds of Israeli-US agreements driving bilateral innovation. Over 15 joint R&D agreements have been signed between Israel's National Innovation Authority and various US federal and state agencies.
- Giant companies like Google, Apple, Facebook, Microsoft, Intel, Yahoo!, Motorola, HP, GE, IBM, Cisco and many more have established their only non-US R&D centers in Israel. Out of around 300 multinational corporations in Israel, over 200 are American.
- Just recently, two Israeli technological companies were sold to American corporations: MobilEye was sold, in March 2017, to **Intel** in a cash-and-stock transaction valued at \$15.2 billion; and in May 2018, **Frutarom** Industries was sold to **IFF** corporation in a cash-and-stock transaction valued at \$6.4 billion.



- Numerous US multinationals established centers in Israel after acquiring or merging with cutting-edge Israeli startups. IBM, for example, has acquired more than a dozen Israeli companies since establishing its Israeli center over four decades ago.
- There are close to 50 bilateral organizations promoting joint research and innovation ventures; academic and cultural exchange and cooperation; tourism; economic development programs; business, trade and investment opportunities; high-tech transfers and partnerships between US and Israeli corporations and universities.
- Three prominent US-Israel R&D foundations include the Binational Industrial Research and Development Foundation (BIRD); the Binational Science Foundation (BSF); and the Binational Agricultural Research and Development Foundation (Bard).
- A steady stream of governors, mayors, and other US state and local leaders regularly visit Israel, and increasing numbers of US delegations participate in Israeli innovation conferences and events each year. For example, during 2017 alone, twelve state governors visited Israel and six of them signed cooperation agreements with Israel.

Energy

- In 2009 the US-Israel Energy Cooperation Program was authorized by Congress pursuant to the Energy Independence and Security Act of 2007, following which “BIRD Energy” was created to promote bilateral cooperation in clean and renewable energy.
- The US government and Israel's Innovation Authority and Ministry of Energy are expanding their cooperation in cyber protection of infrastructure and advanced manufacturing. In May 2016, the Innovation Authority signed an MOU with the Department of Commerce, under which the countries agreed to conduct ongoing bi-governmental innovation activities.
- Noble Energy partnered with the Israeli firms Delek Drilling and Avner Oil Exploration in developing Israel's offshore Leviathan gas field, a nearly \$4 billion project with the first extraction slated for 2019.

Water and Agriculture

- Israel is a world leader in water management and technology, recycling some 87 percent of its water (the highest figure in the world) and deriving some 30% of its potable water from desalination plants. Israel and the US are working more closely than ever to address water issues. Israel entered into an MOU on water with California in 2014 and with Nevada in 2016.
- The new reverse osmosis desalination plant in Carlsbad, California, designed by Israeli IDE, is one of the largest and most technologically advanced in America.
- Just last week (May 8- 10, 2018), the 20th International Agricultural Technology Exhibition – **Agritech Israel 2018**, one of the world's most important exhibitions in the field of agricultural technologies – was held



in Israel. A formidable presence of business delegations from the US participated, including a delegation led by the Governor of Indiana, Eric Holcomb.

Security Cooperation

Israel is among the US's greatest allies, and the two nations work hand-in-hand to confront common threats – particularly those posed by radical Islamic terrorism – and to advance shared interests in promoting peace and stability. The two countries benefit immensely from intelligence sharing, innovation ventures, military agreements and joint exercises.

The United States is committed **by law** to preserving Israel's *qualitative military edge*, which ensures that Israel can defend itself, by itself, against threats in the Middle East.

Legislation and Support

- Over the last decade, Israel received \$30 billion from the US in foreign military funding. This support is an investment in both countries' common security and future. Around 75% of military assistance to Israel is spent back in the US, stimulating American industry and creating jobs.
- The US and Israel jointly develop military technology. Through legislation such as the landmark United States-Israel Strategic Partnership Act of 2014, the US and Israel conduct joint research on technology, energy, intelligence, information security and national security.
- The US invested hundreds of millions of dollars to jointly fund the development and deployment of Iron Dome, Israel's cutting-edge missile defense system, which has saved countless lives over the course of the many rocket assaults on Israeli cities.

Technology

- The US and Israel jointly developed the world's most sophisticated rocket interceptor, the Arrow-III, that offers protection from long-range missiles.
- Examples of Israeli technology used by American forces include Israeli anti-rocket armament, drones, and reconnaissance devices. US fighter aircraft and helicopters incorporate Israeli concepts and components, as do modern-class US warships.
- The IDF has shared with US forces its expertise in the detection and neutralization of improvised explosive devices (IEDs), the largest cause of casualties among American forces.

Joint Exercises

- US and IDF troops routinely train together to make each other stronger in the air, on land and on sea. For example, aerial combat and special operations US Navy ships regularly dock in Haifa, US Air Force planes



refuel at Israeli bases, and the Marines will soon train to integrate Israeli precision lasers in their operations.

- Some of the largest joint military exercises include the 2012 Austere Challenge, which involved over 3,500 American and Israeli soldiers, the biannual Juniper Cobra, centered on missile defense training, and the annual Reliant Mermaid drill, which allows Israel and other regional allies to coordinate defense operations in the Mediterranean Sea.

Intelligence Sharing

- Israeli and American intelligence agencies continuously exchange information, analyses, and operational experience in counterterrorism and counter-proliferation.
- The US Department of Homeland Security and its Israeli counterpart share technical know-how in defending ports and terminals from terrorist attacks, countering unconventional weapons and cyber threats, and combating the drug trade.
- Both countries have been working closely together to ensure open, safe and secure access to information, to enhance cyber resilience and thus to allow for further global social and economic development.