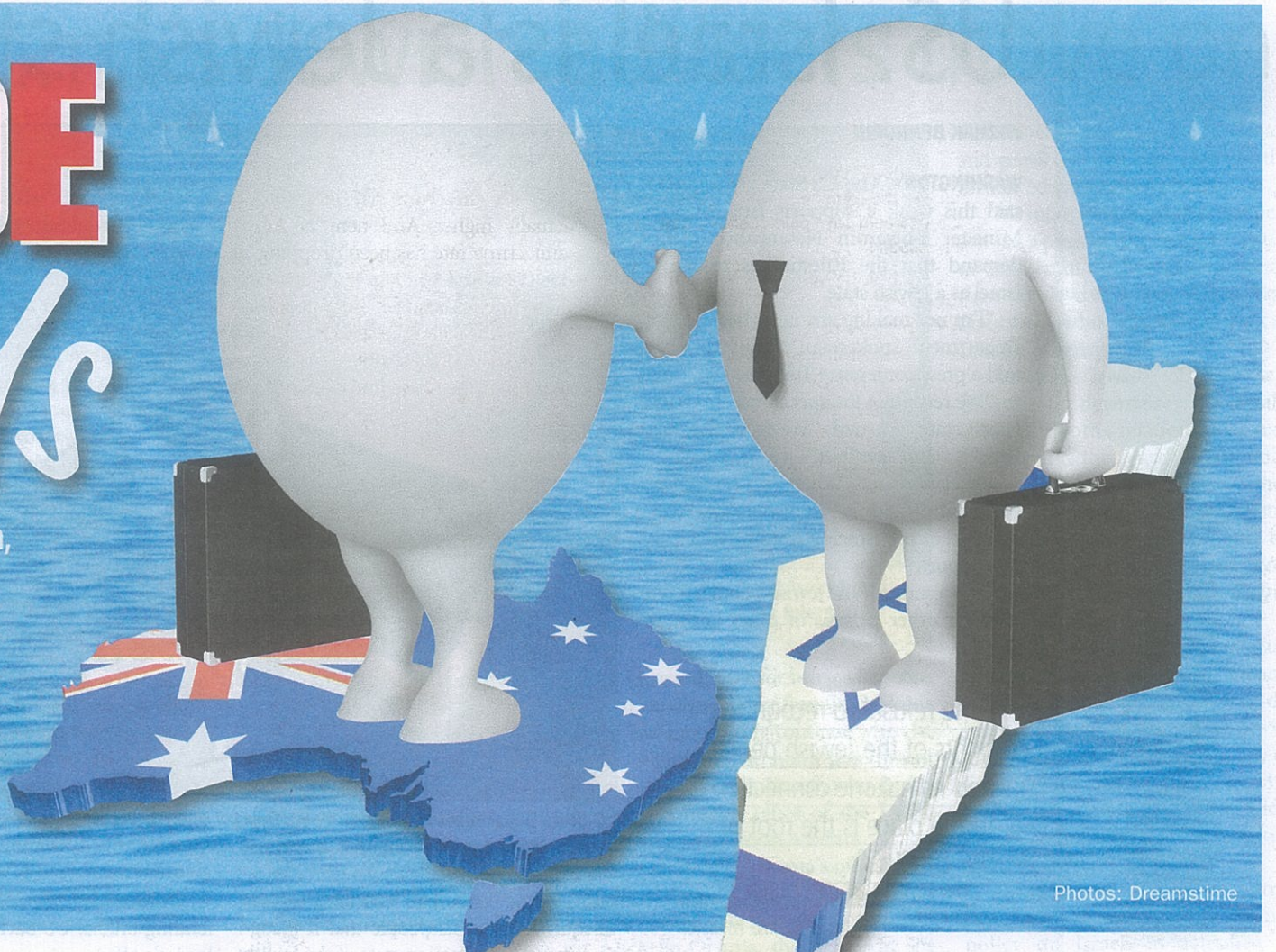


TRADE Trends

A delegation of software, food, health, aerospace and retail companies from Israel visited Australia this month to further trade ties. Chair of the Israel-Australia Chamber of Commerce Dr Orna Berry, who led the mission, spoke with Peter Kohn about the current state of commercial relations between the two countries.



Photos: Dreamstime

Peter Kohn: What are the issues you're canvassing with Australian business leaders and academics during your Australian visit?

Dr Orna Berry: We're here to enhance ongoing collaboration and open new doors for both countries. The emphasis is on natural resources, livestock and industrial, with a lot of high technology from Israel to Australia, and a great relationship in research, life sciences, agriculture, water and solar energy. There is commercial collaboration on the infrastructure for Better Place [electric vehicle technology].

I believe in the compatibility of Australia and Israel, as people from both countries in all areas work very well together, and that it is a complementary relationship. Israelis, in the absence of natural resources, are pushing very hard on the commercialisation of knowledge, while Australians have a much greater reach into civil infrastructure and the global market, predominantly Asia.

What are Israel's hottest exports this year?

With the maturation of broadband, the Australian telecom

industry has been the most collaborative with Israeli companies on innovation in both capacity and applications.

Australian hospitals have been using the PillCam, invented in Israel, since 2001. What is the latest on this camera in a capsule that patients swallow to enable intestinal scans?

The PillCam has now been expanded to enable examinations of other parts of the intestines.

Water management is a major area of common concern for Australian and Israeli companies. What are the latest developments?

Australia is going much faster than Israel with desalination and is also more environmentally conscious in doing that, so the capacity for desalination is greater here than in Israel.

Israeli development in agri-sciences has been noteworthy. Are there any new advances?

Drip irrigation is quite effective. Conservation has reduced the amount of water used in parks by around 30 per cent. New methods of irrigation are using under-the-sur-

face nanotechnologies that preserve even more water, which makes them very suitable for both Israel and Australia. They are still at the research stage in agriculture and civil engineering.

At the government level, we had in recent years memorandums of understanding (MoAs) between Mekorot, the Israeli national water carrier, and various state water boards in Australia. Any progress on that?

MoAs are good at the beginning, as an enabler, but it's what happens as the relationship continues that's important.

For example, I can tell you Sydney Water is using an operational research analysis of its water system launched by an Israeli startup, TaKaDu.

It works with sensors in the network, identifying causes of water loss from a system, such as leakage or theft. Australians have advanced sensor systems and Israelis brought the analysis tools.

How has the Israel-Australia, New Zealand & Oceania Chamber of Commerce's (IACC) ties with the Australia-Israel Chamber of Commerce (AICC) helped the bilateral trade relationship?

The IACC operates from Israel to Australia, and is less focused on Israeli matters, whereas the AICC is mostly focused on Australian matters. But the goodwill enables high-quality relationships at both ends.

The value to participants, from delegations to communications, is spectacular. The liaison is natural, trustful and generates goodwill and leverage.

The Australia-Israel chambers have a lot of local Australian activity, but the outreach to the IACC gives a global reach.

Are you concerned that political hiccups in the Australia-Israel relationship, such as the passport affair and the May Gaza-bound flotilla incident, might impact on trade?

I think the issue with the passports was a hiccup, but the flotilla issue was not because the Australian Government does not allow its waters to be open to security threats, and the

flotilla posed multiple security threats to Israel.

There was a misunderstanding initially, but at the end of the day, it's very well understood that Israel cannot allow flotillas to do as they wish.

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Dr Orna Berry
IACC chair

Similarly, are you concerned about proposed boycotts of Israeli goods made in the settlements affecting bilateral trade ties?

Anything that is anti-democratic and fundamentalist is a threat to civil societies in general, and, as is the case with BDS [the boycott, divestment and sanctions initiative], it's very popular to use Israel as the trial case. Sometimes there are double standards from other countries. [As to BDS having an impact], I don't doubt it at all.

Eli Kaufman of Koor Intertrade, an Australia-Israel business brokerage, once said companies investing in Australia need to think long-term and build relationships and have deep pockets, because unlike the United States, this is a geographically remote and relatively small export market. Do you think Israeli companies have taken this on board in recent years?

First of all, Australia is not the US. In many ways, Australia retains more human values than just the straight commercial values you find in many places in the US, even though

Israeli companies Down Under

- Pex - toughened irrigation pipes.
- Plastro - irrigation manufacturer in which Australian business magnate John Gandel had a 50 per cent stake from 2005 to 2008. Plastro Asia Pacific, a regional subsidiary, was founded in 2004.
- RMH Lachish - potash fertilisers from the Dead Sea Works for Australian dairy livestock feedlots.
- IDE - water conservation developer that operates local subsidiary IDE Technologies Australia. The Australian company secured the rights to build a desalination plant in remote northern WA.
- Given Imaging - the developer of PillCam internal scan technology.

America is a great trade partner because decisions are made quickly there. The academic level in Australia is very high, and the integrity and transparency are very good. While Israel and Australia together are a market of less than 30 million people, in certain areas the fact that Australia has a great relationship with China and China has such appreciation for Israel allows Australia and Israel to do much more together than trade between their two countries.

Has the trade relationship been more successful in the past 10 years than in the previous 20 years?

Yes, and there are several reasons. Despite the global financial crisis, we have witnessed the opening up of Australia, the growth of the Asian market, vast improvements in air transportation and hubs like Singapore and Hong Kong, and from Western Australia to Israel via South Africa. The physical distance has been accommodated.

For Australians wanting to invest in Israel, what's your advice?

The best areas are the currently active ones, especially in sustainability and alternative energies, which are also jointly exportable to countries such as China and India.

Dr Orna Berry - a profile

DR Orna Berry (pictured) chairs the Israel-Australia, New Zealand & Oceania Chamber of Commerce (IACC) based in Tel Aviv, one of 45 bilateral chambers of commerce in Israel.

The IACC has strong sister relationships with AICC chambers in Sydney, Melbourne, Brisbane, Adelaide and Perth and also an affiliate in Auckland.

The Israel-Australia trade relationship is valued at around \$US1 billion a year.

Dr Berry replaced former chair Gurion Meltzer in 2009. She has spent more than 25 years in science and technology industries, as an academic researcher, entrepreneur, policy maker and most recently, venture capitalist.

She is a venture partner at Gemini Israel Funds, one of Israel's leading venture capital funds (managing more than \$US700 million). Gemini focuses on investing in seed and early-stage companies, mainly from sectors such as communications & wireless, consumer electronics, enterprise software, internet and semiconductors.

As an immediate past chair of the Israel Venture Association, she represents the Israeli venture capital community and is also a former chief scientist of Israel's Ministry of Industry and Trade.

In this capacity she was responsible for implementing government policy towards industrial research and development, including grants of \$US500 million a year.

Dr Berry is a seasoned entrepreneur, co-founding Ornet Data Communication Technologies, which was later bought by Siemens.

