

'Understanding varied business cultures a challenge'

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Dr Zandberg shares his thoughts and views on the current Indo-Israel relationship in the area of life sciences, and he also provides a brief outline on the business opportunities that Indian biotech and pharma companies can leverage in Israel.

Excerpts:

Q: Can you give us a brief overview on the current existing Indo-Israel relationship?

Mr Yair Zandberg: Bilateral trade and economic relations have progressed rapidly since the establishment of diplomatic relations between India and Israel in 1992.

From a base of USD 200 million in 1992 (comprising primarily of diamonds and merchandise trade), it has diversified and had increased sharply reaching USD 5.153 billion in 2011.

India is Israel's 8th largest trade partner, and Israel's third largest trade partner in Asia, after China and Hong Kong (trade data includes diamonds).

In 2011, India was ranked 11th largest import source of Israel including diamonds, and 16th largest import source excluding diamonds.

Q: What opportunities does Israel offer to Indian biotech and life sciences companies?

There are multiple ways Israel and India could benefit in the biomedical sector. Opportunities shall grow from the strengths of each country. Below is the list of several of them:

• As India is blessed in CROs and very high number of doctors, one option will be doing joint R&D projects with respect to clinical trials in India, like Cipla, Intas & cadila.

• APIs - Israel today buys a lot of APIs from India. In this regard, India could do specific APIs for Israeli needs, achieving fast needed results.

• In addition, India can be used as a gate for the Israeli market to South-East Asian markets by utilization of existing trade relations of Indian companies or indirect marketing, to inaccessible markets for Israeli companies.

• Israeli strengths can bring value for Indian companies. Israel is known for its excellence in pharma drugs for central nerve system & cancer, and also for innovative medical devices.

Indian bioscience companies can benefit from JVs in those areas or also by marketing those quality products in India.

• Same as India, Israel can be used as a gate for the western markets, as Israeli companies have very good trade agreements with the EU and US, while Israeli products enjoy very good reputation in those markets.

Q: What advice or precautionary measures would you offer to Indian companies who are seeking to establish a base or collaboration in Israel?

As any entry to a new market, FIICC advises the following:

- a. Ensure proper business planning
- b. Take close care of locating the right partner for your business
- c. Work closely with the Indian embassy in Tel-Aviv which is highly effective in assisting Indian companies doing business in Israel

Q: Would you like to give us Israel's USP for Indian biotech companies who would want to invest in Israel?

From FIICC point of view, "Taro" was a great opportunity. However, similar opportunities do not emerge frequently in the Israeli market.

However when Israeli opportunities are emerging, our best advice will be to maintain the Israeli spirit and team (and vice versa), and in that way both sides will benefit.

A good example will be Sun's decision to take Mr Israel Makov, ex-Teva CEO, to become Sun's chairman.

Q: How can Indian institutions and universities leverage on what Israel has to offer in the life sciences area?

In all the Israeli universities there are commercialization arms that know very well to collaborate with other companies and universities. Very important to do the right check with the Israeli OCS, as well as look for MATIMOP relationship.

Q: What would be the initial challenges for Indian companies who want to establish themselves in Israel?

From FIICC point of view, the initial challenge will be the gap between the two different business cultures.

A good way to deal this is using a lot of patience, understanding the gaps and learning how to bridge them.

Q: What message do you have for Indian entrepreneurs who are apprehensive about investing in Israel in the midst of instability looming over the global economy?

The Israeli economy is one of the most stable economies over the past decades.

As the FIICC was chosen by the Embassy of India in Israel to lead Karnataka's delegates as part of the Indian delegation to the first Israel innovation conference, happening between May 17 - 23, 2014.

We recommend that each of the Indian entrepreneurs to join us and explore the opportunities that the Israeli market has to offer.

Q: In terms of finances, how would you help Indian companies?

The main Indo-Israel new initiative that FIICC see fit to note is 'Karnataka and Israel Program for Industrial R&D' (KIRD), recalling the Umbrella Agreement on the Development of Cooperation in the Field of Industrial and Technological Research and Development between the State of Israel and the Republic of India, signed in New Delhi, on December 30, 1996.

The Government of Karnataka executed an MoU with Israel to carry out joint industrial R&D projects between Karnataka-based companies and Israel.

This MoU was signed in March 2013 between MATIMOP - the Israeli Industry center for R&D, on behalf of the Office of the Chief Scientist (OCS) in Israel; and the Karnataka Science and Technology Promotion Society (KSTPS) and the Karnataka State Council for Science and Technology (KSCST), autonomous organizations under the Department of Science and Technology, Government of Karnataka, in India.

Under this MOU program, Karnataka and Israel Program for Industrial R&D (KIRD) has been initiated to create mechanisms through which small/medium scale industries located in Karnataka, could be funded for engaging in joint bilateral research and development (R&D) projects, with Israel.

KIRD Program is taking-off this days. Ten companies, mostly from the Defence Industry, were approved by MATIMOP and KSCST, the implementation agencies, and began the process for getting the coveted fund at the beginning of 2015.

FIICC is extremely happy to update that a similar program is on the brink of signing with Gujarat and the Israeli government's intention is to expand the program to other states of India.

Q: Post establishment, what kind of support would you extend further to companies?

Assisted by Mr Vibin Joseph, executive director, Biozeen, as an FIICC Advisor for the biotech sector, our focused support for those companies will be preserving the growth of those companies by providing real-time information about new business opportunities and proactive introductions for new optional partners.

We will also provide updates about bilateral agreement and government's new initiatives and also promote bridging the cultural gaps by our environmental seminars.