



Virginia Israel Advisory Board

Office of the General Assembly

MEMORANDUM

TO: His Excellency Governor Ralph Northam
The Honorable M. Kirkland Cox - Speaker of the House
The Honorable Ryan McDougle - Chairman Joint Rules Committee


FROM: Mel Chaskin – Chairman, Virginia Israel Advisory Board

DATE: December 11, 2019

RE: FY 2019 Annual Review of the Virginia Israel Advisory Board

CC: Distribution List (Attached)

The VIAB contributed to the growth of 112 new jobs in FY 2019. Israeli companies' tax contribution to the Virginia Treasury exceeded 182% of the VIAB's budget in 2019.



Mel Chaskin
Chairman, Virginia Israel Advisory Board

Distribution List (via email):

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**VIRGINIA ISRAEL
ADVISORY BOARD**

COMMONWEALTH OF VIRGINIA
OFFICE OF THE GENERAL ASSEMBLY

Virginia Israel Advisory Board

Annual Report
FY 2019

Mel Chaskin – Chairman
Chuck Lessin – Vice Chairman
Dov Hoch – Executive Director
December 2019



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Chairman's Message



FY 19 was the start of a new era. We were able to hire our new Executive Director (Dov Hoch).

We have moved into our new Headquarters in the Pocahontas Building, Suite 325 in Richmond, and would like to thank Speaker Kirk Cox and his team for their support. Also, the team in the Department of Legislative Services (DLS), who have so smoothly facilitated the processes of getting us up and running this year.

Some of the highlights of this year include having United Airlines launch their inaugural flight between Virginia (Dulles) and Tel Aviv. We have been supporting this for more than 15 years.

We established an on-going defense and maritime program which leverages the strong synergies between Israel and Virginia in these segments.

We engaged Old Dominion University, Dragas Center for Economic Analysis and Policy to conduct an analysis of the economic impact of the Virginia Israel Advisory Board for Virginia.

VIAB created 112 new jobs in FY19, many in established companies that will continue to add new jobs next year.

I am very grateful to the Board members who provide a balanced presence throughout the Commonwealth and have contributed their time, contacts and resources to advancing our mission.

Mel Chaskin

Chairman

Virginia Israel Advisory Board



Executive Director’s Message



It was a year of new beginnings. Since I came on board last July, we moved our offices to Richmond, have new staff, built administrative processes with the Office of the General Assembly, as well as, broadened and deepened our interactions with the VEDP.

Personally, I enjoyed experiencing nearly every corner of the Commonwealth and meeting with people committed to enhancing it. I spent most of my time on the axis between Hampton Roads, Richmond, and Northern Virginia with visits to The Graphene Research Center in Wise County, Roanoke to help curate an exhibit of 32 Israeli artists at the Taubman Museum of Art and Charlottesville to lecture at UVA’s Darden School of Business. A highlight was flying on United Airlines’ first direct flight from Virginia to Israel which for Israeli business people clearly established Virginia as a business destination.

Dov Hoch
Executive Director
Virginia Israel Advisory Board



Virginia Israel Advisory Board Executive Director Dov Hoch shared the stage with Florida Governor Ron DeSantis at the U.S. Israel Business Summit in Tel Aviv. Dov provided case studies of Israeli companies that choose to locate in Virginia and business models of how to penetrate the U.S. market in Virginia
(See Video of Dov Hoch’s remarks)



Executive Summary

New Beginnings

In the course of the year, we welcomed Dov Hoch as the new Executive Director who moved our offices to Richmond and focused on (i) building administrative processes with the Office of the General Assembly, (ii) broadening and deepening our relationships with Commonwealth-wide economic institutions, the core one being the Virginia Economic Development Partnership, (iii) building on-going programs along with major institutions throughout the Commonwealth that leverage the strong synergies with Israel in Maritime, Defense and Tech related segments (See Programs Section), (iv) promoting Virginia in Israel (See Video of Dov Hoch's remarks) at the U.S. Israel Business Summit.



Right to Left:

Honorable Brian Ball

*Secretary of Commerce and Trade
Commonwealth of Virginia*

Dov Hoch

*Executive Director
Virginia Israel Advisory Board*

Shraga Brosh

*President
Manufactures Association of Israel*

Ruby Ginel

*Managing Director
Manufactures Association of Israel*

Programs

Defense Program

At the invitation of Governor Ralph Northam to the Israel Ministry of Defense, the VIAB is working with Israeli defense contractors to partner with Virginia concerns and set up their companies in the Commonwealth. The Virginia Manufacturer's Association and Genedge are key partners in advancing these relationships.

This year the Virginia Israel Advisory Board conducted a teaming event between thirty Israeli and Virginia defense manufacturers to develop Virginia-based manufacturing and R&D. Twenty Virginia organizations participated including the Secretary of Commerce and Trade Brian Ball and the VEDP.

Maritime Program

The VIAB brings Israeli shipping and port related companies to the Hampton Roads Region. Israel's largest shipping concern, ZIM Integrated Shipping Services already employs hundreds of workers at its U.S. Headquarters in Norfolk. In the past year, the VIAB built relationships with ten key Virginia maritime stakeholders to be involved in the maritime program including Maritime Industrial Base Ecosystem (MIBE), ODU's Maritime Business Accelerator, Port of Virginia, Newport News Ship Building, Virginia Maritime Association, Virginia Ship Repair Association, Hampton Roads Economic Development Alliance, and Hampton Roads Military and Federal Facilities Alliance.



VIRGINIA ISRAEL ADVISORY BOARD

COMMONWEALTH OF VIRGINIA
OFFICE OF THE GENERAL ASSEMBLY

ANNUAL REPORT FY 2019

Manufacturing

The VIAB brought the Manufacturers' Association of Israel to Virginia to establish their first cooperation agreement in the U.S. to be with the Virginia Manufacturers Association. The MOU, signed by the Presidents of both manufacturers' associations enable their collective 9000 member companies to develop manufacturing and R&D partnerships in Virginia. The VIAB works with the Virginia Manufacturers Association to identify and partner Virginia companies with Israeli companies seeking to manufacture in the U.S.

In Israel

Leading Virginia legislators and several regional economic development organizations visited Israel to meet companies and attract them to the Commonwealth. Executive Director Dov Hoch conducted meetings in Tel Aviv with Virginia Secretary of Agricultural and Forestry Bettina Ring, Democratic Caucus Leader Eileen Filler-Corn, and Senate Republican Leader Tommy Norment who met with Israeli companies considering locating to the Commonwealth.

Direct Flights from Virginia to Israel

After many years of VIAB efforts, United Airlines now flies from Virginia directly to Israel. The flights significantly raise the profile of Virginia in the eyes of Israeli business-people and positions Virginia as a leading U.S. business destination.

Economic Impact Study on VIAB's Activities: The Dragas Center for Economic Analysis and Policy at Old Dominion University is conducting an analysis of the economic impact of the Virginia Israel Advisory Board. The undertaking involves case studies of individual Israeli companies, their contribution to the Commonwealth's economy, building a model to measure on-going economic impact based on commonly accepted standards applied throughout the Commonwealth.

In the coming year:

We will focus on our core Maritime and Defense Programs. In February 2020, we have an Israeli delegation of unmanned vehicles and naval defense companies coming to meet prospective Virginia partners in Hampton Roads and Northern Virginia. We also plan to reach out to larger Virginia enterprises to participate in our Open Innovation program (see examples) for Virginia companies to source Israeli technology that provide extreme competitive advantages, as well as, radically reduce R&D costs and time to market.

We are also developing student business internships on Virginia campuses with Israel firms and are working with the Taubman Museum of Art in Roanoke to curate an exhibition of 32 Israeli artists.



Energis's CFO Briefing on the company's planned \$100m investment in solar energy fields spanning several Virginia counties.

Bettina Ring

Virginia's Secretary of Agricultural

Eileen Filler-Corn

Democratic Caucus Leader

Tommy Norment

Senate Republican Leader

being briefed in Israel.



Programs

The Virginia Israel Advisory Board conceptualized and rolled-out programs that support the Commonwealth’s core economic development goals in segments that have strong synergies with Israel’s Maritime and Defense. Our approach to programs is to create on-going interactions between leading Israeli and Commonwealth institutions to enable the companies they represent to engage in Business2Business / Many2Many forums to build new businesses in the Commonwealth and partnerships to expand existing Virginia ventures.

Defense Program

At the invitation of Governor Ralph Northam to the Israel Ministry of Defense, the VIAB and the Virginia Economic Development Partnership are working with Israeli defense contractors to partner with Virginia concerns and set-up their companies’ operation in the Commonwealth. The Virginia Manufacturer’s Association and Genedge are key partners in advancing these relationships.

At the programs core are virtual exchanges and face-2-face teaming events to create partnerships between Virginia defense contractors and Israeli companies.

This year the Virginia Israel Advisory Board conducted a teaming event between thirty Israeli and Virginia defense manufacturers to develop Virginia-based manufacturing and R&D partnerships (May 2019).

Participants included Virginia’s Secretary of Commerce and Trade Brian Ball, Northrop Grumman, and Lockheed Martin, as well as, expert presenters including Williams Mullen Law Firm - Federal Contracting team, Baker Tilly - government contractor advisory practice, GENEDGE - Virginia's public resource for manufacturers, and The Virginia Economic Development Partnership (VEDP). The event was hosted by the Fairfax County Economic Development Authority.

The next events involving two days of meetings between more than 50 Israeli and Virginia companies will be focused on (i) Naval related companies and (ii) unmanned vehicles. The events will be conducted in Northern Virginia and Hampton Roads in February 2020.



Right to Left:

Honorable Brian Ball
Secretary of Commerce and Trade
Commonwealth of Virginia

Dov Hoch
Executive Director
Virginia Israel Advisory Board

Shraga Brosh
President
Manufactures Association of Israel

Ruby Ginel
Managing Director
Manufactures Association of Israel



Maritime Program

The VIAB brings Israeli shipping and port related companies to the Hampton Roads Region. Israel's largest shipping concern, ZIM Integrated Shipping Services already employs hundreds of workers at its U.S. Headquarters in Norfolk.

The program facilitates market entry and growth for Israeli maritime related companies in Virginia and helps with every stage of the decision process to build partnerships and standalone companies in Virginia.

In the past year, the VIAB build relationships with key Virginia stakeholders to be involved in the maritime program.

Maritime Industrial Base Ecosystem (MIBE)

Port of Virginia

Newport News Ship Building

Virginia Maritime Association

Virginia Ship Repair Association

Hampton Roads Economic Development Alliance

Hampton Roads Military and

Federal Facilities Alliance

In Israel, we work with the Israeli maritime business accelerator TheDock, to bring Israeli port and shipping related technologies to Virginia.

ZIM Integrated Shipping Services, Israel's largest shipping concern, employs hundreds of workers at its U.S. Headquarters in Norfolk.





Manufacturing

The VIAB Brought the Manufacturers' Association of Israel to Virginia to Establish Their First Cooperation Agreement in the U.S. with the Virginia Manufacturers Association.

The VIAB initiated an MOU between the Manufacturer's Associations of Israel and Virginia to enable their collective 9000 member companies to develop manufacturing and R&D partnerships in Virginia. The MOU was signed in Fairfax County by the leaders of both organizations after a full-day working meeting that built processes to cooperate bringing Israeli manufacturers to Virginia.

The VIAB works with the Virginia Manufactures Association to identify and partner Virginia companies with Israeli companies seeking to manufacture in the U.S.





Open Innovation Program for Virginia Companies to source Israeli Technology

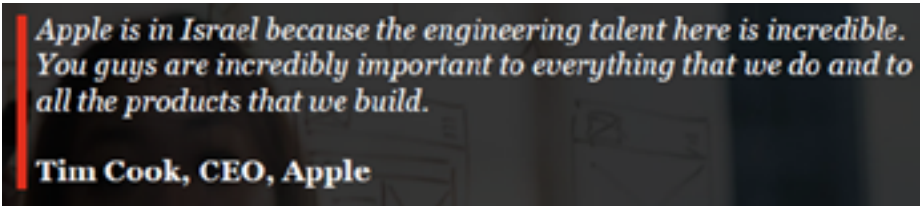
The Virginia Israel Advisory Board launched an Open Innovation Program (see examples) for Virginia companies to source Israeli technology that provide extreme competitive advantages as well as, radically reduce R&D costs and lifecycles.

The driver for this program is that hundreds of large enterprises (Google, Microsoft, Apple, Intel) have significant R&D centers and alliances in Israel in order to source innovative technologies (e.g. Intel chips are designed in Israel).

PWC and Start-Nation Central conducted survey of more than 500 multi-national corporations with various structures to source R&D in Israel (Please request the 60 page report from dovhoch@viab.org).

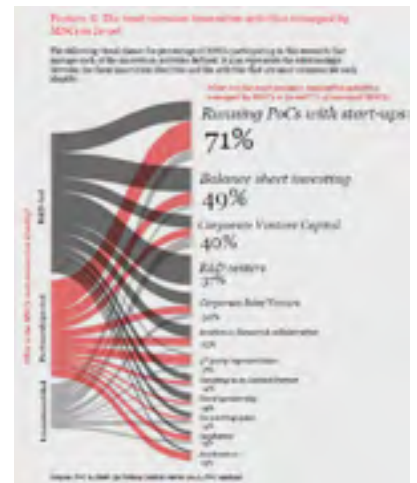
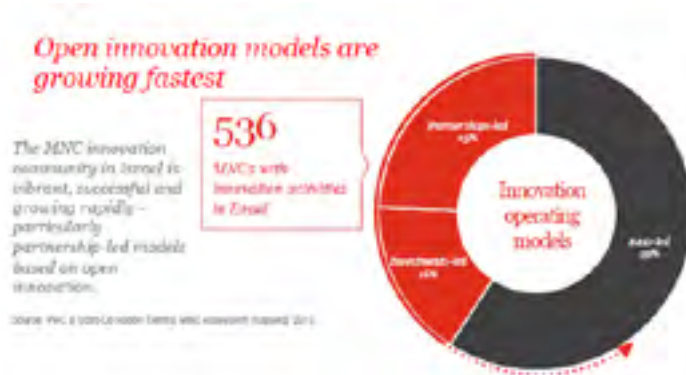
The VIAB model allows Virginia based companies to source, work with, and receive funding for R&D projects with Israeli companies without having a presence in Israel.

The Virginia Israel Advisory Board is working with Virginia enterprises who have structured Open (external) Innovation programs whose mandate is to seek technology and products outside of the company.



The Process

Virginia companies indicate their requirements (ii) VIAB identifies; vets and present Israeli partners per the Virginia company’s criteria (iii) VIAB can bring matching funds through the Israeli government (up to \$1m per project) for Virginia-Israel R&D and product development partnerships.





Activities & Events

Bipartisan Legislatures to Israel

In Israel the VIAB Arranged for Leading Virginia Legislators to Meet and Attract Companies to the Commonwealth

Executive Director Dov Hoch arranged meetings with Virginia Secretary of Agricultural Bettina Ring, Democratic Caucus Leader Eileen Filler-Corn, and Senate Republican Leader Tommy Norment in Israel to attract Israeli companies considering locating to the Commonwealth.

United Airlines Began Direct Flights from Virginia to Israel

United Airlines inaugurated direct flights from Dulles to Israel. After many years of VIAB efforts, United now flies from Virginia directly to Israel. The flights significantly raise the profile of Virginia in the eyes of Israeli business-people and positions Virginia as a leading U.S. business destination. United Airlines has only three direct flights from Israel to the U.S. Each are to three major U.S. business centers New York (financial), San Francisco (Tech), and Virginia.



Energix's CFO Briefing on the company's planned \$100m investment in solar energy fields spanning several Virginia counties.

Bettina Ring
Virginia's Secretary of Agricultural

Eileen Filler-Corn
Democratic Caucus Leader

Tommy Norment
Senate Republican Leader
being briefed in Israel.



Virginia's Secretary of Agricultural and Forestry Bettina Ring and Virginia Israel Advisory Board Executive Director Dov Hoch boarding United Airlines first direct flight from Virginia to Israel.





Marketing In Israel

Throughout the year, the VIAB lectured, exhibited, and built relationships with key Israeli institutions in order to raise awareness of what the Commonwealth has to offer. The core message is “Enter and Grow in the U.S. through Virginia.” We also facilitated Virginia regional and county trips to Israel.

Kibbutz Industry Annual Meeting

Israeli stakeholders we are working with include The Manufacturer’s Association of Israel, The Kibbutz Industries Association, The Ministry of Defense, The Ministry of Economics, The Dock Maritime Business Accelerator, American States Offices Association, leading accounting firms, and strategic advisors.

The VIAB presented and exhibited with Select USA in Tel Aviv & Haifa at Kibbutz Industry Annual Meeting, U.S. Israel Business Summit, America States Offices Association.



Virginia Israel Advisory Board Executive Director Dov Hoch shared the stage with Florida Governor Ron DeSantis at the U.S. Israel Business Summit in Tel Aviv. Dov provided case studies of Israeli companies that choose to locate in Virginia and business models of how to penetrate the U.S. market in Virginia
[\(See Video of Dov Hoch’s remarks\)](#)



Virginia Israel Advisory Board booth at U.S. Israel Business Summit,



Virginia Israel Advisory Board booth at U.S. Israel Business Summit,



Virginia Israel Advisory Board meeting prospects at Select USA in Tel Aviv & Haifa as part of the 20 member America States Offices Association in Israel



Economic Impact Study of the Virginia Israel Advisory Board

The Dragas Center for Economic Analysis and Policy at Old Dominion University is conducting an analysis of the economic impact of the Virginia Israel Advisory Board. The undertaking involves case studies of individual Israeli companies, their contribution to the Commonwealth's Economy, and building a model to measure on-going economic impact based on commonly accepted standards applied throughout the Commonwealth.

The research is being led by the Director of the Dragas Center for Economic Analysis and Policy, Dr. Robert McNab, who is Professor of Economics in the Strome College of Business at Old Dominion University. Professor McNab was appointed by Governor Ralph Northam to the Joint Advisory Board of Economists and is also a member of the Survey of Professional Forecasters and Federal Reserve Bank of Philadelphia.

The Dragas Center produces the influential State of the Commonwealth report, as well as, studies for numerous government institutions in the Commonwealth.

2018 State of the Commonwealth Report

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ECONOMIC ANALYSIS
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