



Best Practice: Initiative to Foster Economic Growth in the BioMedical Sector

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CITY: JERUSALEM

**POLICY AREA: ECONOMIC DEVELOPMENT;
WORKFORCE DEVELOPMENT**

BEST PRACTICE

In 2006, the Development Authority of the City of Jerusalem launched the BioJerusalem initiative to foster the growth of the biomedical sector in Jerusalem as a vital part of the City's economic development strategy. Through various support activities, BioJerusalem strives to develop a thriving cluster of sustainable life science enterprises by fostering solid investments and encouraging innovation in the biomedical sector.

ISSUE

According to the City of Jerusalem, one of the greatest economic challenges that the city faced was combating poverty. With low workforce participation, lower salaries compared to the national average, and 32.3% of the population under the poverty line, Jerusalem experienced an economic decline. Additionally, Jerusalem notes that it was difficult to retain university graduates and to grow an economically established population. BioJerusalem was established in 2006 to develop and implement the policy initiatives required to realize Jerusalem's potential in the biomedical field and develop the sector as a major economic driver.

GOALS AND OBJECTIVES

In a series of independent studies conducted between the years 2002-2005, several BioMedical clusters were identified as economic drivers for Jerusalem based on existing infrastructure and potential for growth:

- 43% of Israel's BioMedical research and over 50% of the clinical research are conducted in Jerusalem.
- There are over 130 BioMedical companies active in Jerusalem, along with a vibrant innovative culture.
- About 12% of Jerusalem's workforce is employed in the BioMedical field.
- The Hebrew University of Jerusalem ranked 12th in BioMedical intellectual property from a study conducted by the Milken Institute.
- Israel's only technology incubator, dedicated to drug development, is located in Jerusalem.
- Jerusalem has the highest number of doctoral and post-doctoral students in Israel.

The five strategic goals under BioJerusalem are as follows:

1. Increase awareness and visibility of the City's technology assets in the biomedical fields.
2. Attract companies and investment.
3. Encourage the creation of new companies and advance the growth of existing companies.
4. Identify unmet needs and launch support schemes and services.
5. Foster connections between the various components of the BioMedical cluster within Jerusalem and globally.

IMPLEMENTATION

To ensure optimal planning and implementation, a leading steering committee was assembled, consisting of representatives from all of the major stakeholders in the Jerusalem BioMedical cluster such as industry, hospitals, academia, technology transfer offices and the Jerusalem Development Authority. Incentives are planned with and are funded by the Jerusalem Development Authority. Activities can be classified into four areas aimed at achieving its strategic objectives:

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Increase Awareness

To increase awareness of the program, several public relations activities have been undertaken. These include executive forums, conferences, and workshops. Other planned activities include Jerusalem Bio-Investor's Club and the Jerusalem "Science Week" event. In addition, a web site has been launched which includes information about all the available incentives, a regularly updated news section, a job board and a comprehensive database of all relevant stakeholders including companies, hospitals, academic institutions and services providers in the BioMedical fields.

Attract Companies and Retain Existing Companies:

A unique incentives package has been developed by the Jerusalem Development Authority which includes different grants for start-up, mid-sized and large companies who choose to locate or expand their activities in Jerusalem. Grants are also offered to employees of Jerusalem companies in the BioMedical fields who relocate to Jerusalem. Planned activities include the launch of a biotechnology incubator to assist seed-stage companies.

Research and Development (R&D) infrastructure:

Activities within R&D include the establishment of Israel's first High Throughput Screening Center, investment in new R&D infrastructure, and different incentives designed to facilitate access to existing R&D infrastructure.

Human Assets

An internship program has been launched in conjunction with the "New Spirit" Jerusalem student organization. Professional training seminars are organized periodically. Planned activities include a subsidy to companies hiring graduates from Jerusalem Academic Institutions, additional training programs, and assistance to Israeli expatriates returning to Jerusalem.

COST

In order to make a true impact on the life science cluster in Jerusalem, about \$20 million USD has been allocated for BioJerusalem's activities for the first 5 years of the program until 2012. Currently, an increased budget is under discussion and is expected to be decided by the end of 2010.

RESULTS AND EVALUATION

BioJerusalem was established to allow the BioMedical cluster to realize its potential and become an economic driver. Success is measured by the number of new companies in Jerusalem, the amount of investment in the Jerusalem's sector, and the number of new jobs created.

In the last three years under BioJerusalem, the following achievements have been made:

- New grants and incentive packages geared towards companies operating in the BioMedical fields have been launched.
- The number of BioMedical companies have increased by 27% and the number of jobs have increased by 40%.
- Leading Israeli BioMedical companies have relocated to Jerusalem and expanded activities in Jerusalem.
- Based on reports from companies, investments of over \$500 million USD and 2,000 new jobs are expected to be created over the next three years.

TIMELINE

2002 The Jerusalem Institute for Israeli Studies, a policy research organization, completed a study conducted in collaboration with the Jerusalem Development Authority which highlighted the BioMedical cluster and proposed policy initiatives to foster the industry in this sector.



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- 2005 The government of Israel approved the Jerusalem Economic Development Five Year Program presented by the Jerusalem Development Authority and the Prime Minister's Office, allocating approximately \$100 million USD for projects that would be drivers for economic growth and that would have a major economic impact on the capital city.
- 2006 The Jerusalem Development Authority announced the establishment of BioJerusalem.

LEGISLATION

Not applicable.

LESSONS LEARNED

Throughout the planning, initiation, and implementation phase, close collaboration between key personnel within the decision-making authorities, in this case, the Jerusalem Development Authority and the Jerusalem Municipality was critical.

In addition, it was necessary to get buy-in from all key stakeholders of the BioMedical cluster of Jerusalem. The steering committee members were called for input and insight on the various activities and incentives developed.

TRANSFERABILITY

The BioJerusalem model is applicable to any city or region that would like to focus on a specific sector in boosting economic development. The activities and incentives will vary depending on the objectives identified.

CONTACTS

Chen Levin
Executive Director, BioJerusalem
chen@BioJerusalem.org.il

Eyal Haimovsky
Vice President, Business Development Marketing and Public Relations
The Jerusalem Development Authority
eyal@jda.gov.il

BIOJERUSALEM
High Tech Village, Building I-I
Edmond Safra Campus, Givat Ram
P.O. Box 39026
Jerusalem 91390, Israel
Tel: +972-50-551-1822
info@BioJerusalem.org.il

www.BioJerusalem.org.il

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