

Israel: Intel to spend \$810 million here

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Global chip-making giant Intel has promised to spend hundreds of millions of dollars in Israel over the coming years for procurement, the Israeli Ministry of Industry, Trade and Labor announced this week.

The ministry said in a statement that the company signed an agreement with the Industrial Cooperation Authority, a body within the ministry, to spend \$810 million over the next 10 years.

"Intel is an example of ongoing industrial cooperation, which yields long-term benefits for both parties," ICA General Director Bina Bar-On said via the statement.

The new agreement also strengthens Intel's investment policy for developing new industries and technologies in Israel, Bar-On said.

Intel has had a presence in Israel for more than 30 years, company spokesman Chuck Mulloy said.

In recent months the company has begun branching out to other parts of the region as part of its "Digital Transformation Initiative" in the Middle East. This has included the announcement of plans to build an Intel IT Center of Excellence at the Islamic University of Gaza.

Plans for the tech center have been on the drawing board for several months and construction was slated to begin in mid-February, but land issues in Gaza have forced the groundbreaking back.

Intel was also in talks at the time of the announcement with several universities in the region to establish research-and-development centers, although Mulloy said he couldn't provide any more details than that.

In Israel, Intel most recently received a \$540 million grant from the country's Investment Promotion Center for the company's new Fab 28 building in Kiryat Gat. In all the company plans to spend \$5.5 billion on Fab 28, of which the state declared \$4.2 billion eligible for government grants, according to a report in the Israeli business newspaper Globes.

As for the current agreement, a spokeswoman for Intel's Israel offices said, "We don't have a response to that at the moment." She added that the announcement of the agreement came from the Ministry of Industry, Trade and Labor -- it was not a joint statement between Intel and the ministry.

Between 1999 and 2005 the company spent \$1.2 billion on procurements and investments in Israel, Bar-On said via the statement.

"Intel is one of the companies that most stands out in reciprocal procurement," Bar-On said, adding that the sum was far above the amount the company was required to invest according to the terms of its agreement with the Israeli government.

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