



# ARIZONA ADVANTAGES



# THE BEST STATE FOR BUSINESS

Arizona is top-ranked in areas critical to business success: tax and regulatory reform, quality workforce and superior quality of life. For Israeli-based companies seeking a location for growth and people looking for a place to call home, Arizona has the perfect balance that makes life better here.



## Low Cost of Doing Business

Arizona offers one of the lowest costs of doing business in the United States, primarily because of low taxes and small state government. Arizona is among the nation's lowest corporate and individual income tax rates. With a corporate income tax rate of 4.9%, Arizona is 55% less than California at 8.84%. Additionally, Arizona's top personal income tax rate is 66% lower than California's at just 4.54%.



## Top Talent

Poised and ready to meet your project needs, the state's available workforce is skilled, abundant, talented and young. While the national average age is 38.2, the Phoenix MSA is 38, younger than New York and San Francisco. The population is plentiful, with more than two million workers living in the greater Phoenix area and an additional 450,000 in the Tucson metropolitan area.



## Streamlined Regulation

Arizona offers a business-friendly, minimalist regulatory environment by cutting red tape and by repealing overly burdensome regulations that would otherwise make business more difficult for companies in the state. Since 2017, Governor Ducey eliminated more than 2,289 regulatory burdens, equivalent of a \$134 million tax cut.





### Thriving Innovation

In the top 10 in the nation for Startup Activity by the Kauffman Entrepreneurial Index, Arizona has been continuously recognized as the best place to launch, test and scale new ideas. The Arizona Commerce Authority provides programs like one of the largest competitions in the nation, the Arizona Innovation Challenge. The competition is designed to advance innovation and technology commercialization opportunities in Arizona by helping early-stage ventures scale.



### Access to Major World Markets

Arizona is strategically located in the southwest region of the United States, immediately accessible to three of the world's largest economies—California (#4), Texas (#10) and Mexico (#17). In fact, Arizona is the only state in the nation within a day's drive of all those major world markets, with access to 85 million consumers.



### Exceptional Quality of Life

From an unsurpassed number of sunny days to snow skiing, it's all right here. Arizona's thriving culture, relaxing scenery and affordable living are second to none.



# A CULTURE OF INNOVATION

Arizona's pro-innovation environment enacts trailblazing, technology-driven policies, making the state right at the leading edge of innovation in many areas. This is further confirmation that Arizona is the best place to bring new technologies and new business models to market.



## **FinTech Sandbox** • *FIRST IN THE NATION* •

Under Governor Ducey's leadership, in 2018 Arizona was the first in the nation to launch a FinTech Sandbox. The innovative platform allows startups and entrepreneurs to launch cutting-edge products on a limited, temporary scale to consumers without burdensome regulations and costs. With one of the largest business and financial services concentrations in the country, Arizona is the perfect place for this type of innovation.



## **PropTech Sandbox** • *FIRST IN THE NATION* •

In 2019, the Governor signed legislation establishing the first PropTech sandbox in the nation, giving visionary thinkers a platform to test unique, tech-based property services and products. Upon application approval, participants are granted limited access to test in the Arizona market without first obtaining full state licensure or other authorization that would otherwise be required.



## **Automated Vehicles** • *FIRST IN THE NATION* •

Governor Ducey issued an executive order in 2015 making Arizona the first state in the nation to support testing and operation of self-driving vehicles. Arizona's pro-innovation environment has paved the way for significant investments in automated mobility from numerous companies including Waymo, Lyft, Ford, GM, Intel and TuSimple.

In 2018, the Governor signed an executive order creating the Institute of Automated Mobility (IAM), a new consortium of global industry leaders, the brightest minds in academia, and government leaders committed to embracing innovation. These partners will collaborate on state-of-the-art research and testing in Arizona, and will be focused on advancing automated vehicle science, safety and policy.



## **Home Sharing** • *FIRST IN THE NATION* •

In 2016, Governor Ducey furthered the state's sharing economy by enacting first-of-its-kind legislation enabling all Arizonans to participate in the sharing economy and streamlining the process for home sharing platforms to collect taxes and remit them to the Arizona Department of Revenue.



## **Ridesharing** • *FIRST IN THE NATION* •

In 2016,, Governor Ducey started off his strong support of the sharing economy by signing legislation embracing ridesharing services and operations in Arizona. Rather than oppose this 21st-century solution to getting people where they need to go, the state welcomed it and removed barriers to its open operations.





### **5G Technology** • *FIRST IN THE NATION* •

In mid-2017, Governor Ducey signed legislation making Arizona the first state in the nation to streamline the deployment of technology enabling next-gen 5G wireless communication, which is needed to support and scale our state's vital digital networks and attract new and exciting tech companies.

Following this deployment, in 2019, Verizon chose Phoenix as one of the first U.S. markets to receive the company's 5G Ultra Wideband network. The network promises faster mobile speeds and paves the way for technology advances in automated vehicles and telemedicine.



### **Cybersecurity**

Governor Ducey brought together a network of 22 experts in government, policy, higher education and the private sector to create the Arizona Cybersecurity Team in March of 2018. This team focuses on ensuring that Arizona remains the most cyber-prepared state in the nation.



### **UAS**

AZSkyTech program was established in 2018 by the Arizona Commerce Authority under Governor Ducey's leadership to position the state as the premier place in the world to responsibly test, deploy and advance Unmanned Aircraft Systems (UAS) technology and policy.



# WORLD-CLASS EDUCATION

Arizona offers a nationally recognized public university system that excels in both academics and research, as well as one of the nation's most robust community college systems and private institutions that offer both online and classroom learning.

**Arizona State University** (ASU) is one of the nation's largest colleges and universities. It's home to the highly regarded W.P. Carey School of Business, the Thunderbird School of Global Management and the Ira Fulton Schools of Engineering. ASU and Ben-Gurion University of the Negev have established a study-abroad experience for students as well as partnered on several programs. Additionally, the two universities signed a research agreement enabling collaboration across shared interests and strengths including cybersecurity, homeland security, nanotechnology, robotics, community medicine, remote sensing and sustainability.

**The University of Arizona** (UArizona) is top-ranked programs in Management Information Systems (MIS) (#3) and entrepreneurship (#10). UArizona's MIS programs focus on the application of information systems on the business environment and boast \$150 million in grants to fund research in areas such as cybersecurity, artificial intelligence, big data analytics and IT management and strategies. Optics and photonics have long been a key piece of modern innovation and the Tucson region, sometimes referred to as Optics Valley, is a leader in the state's \$3 billion optics industry. The University of Arizona serves as a hub for these innovations and is home to the Steward Observatory Mirror Lab. UA Tech Parks is collaborating with Ben-Gurion University of the Negev and Universidad Nacional Autónoma de México. The trilateral partnership is focusing on desertification and climate change, joint research projects that will explore arid land agriculture and water. Additionally, the university's well-known Department of Judaic Studies houses the Israel Institute and hosts a nationally renowned conference.

**Northern Arizona University** (NAU) offers 91 undergraduate degree programs and 60 graduate programs in areas of focus including accountancy, administration, business, computer information technology, economics, engineering and marketing. Additionally, NAU is ranked within the top 50 for Best Undergraduate Engineering Program at schools where no doctorate is offered in the U.S. by U.S. News & World Report (2020).

ASU Ranked  
**THE MOST INNOVATIVE UNIVERSITY**  
ahead of MIT and Stanford for an  
unprecedented five consecutive years  
*(U.S. News & World Report, 2016-2020)*

UArizona is ranked among the  
**TOP 50 INSTITUTIONS  
IN THE NATION**  
*(U.S. News & World Report, 2019)*

Embry Riddle Aeronautical  
University's Prescott Campus ranked  
**1ST IN THE NATION**  
for its aerospace, aeronautical,  
astronautical engineering programs at  
schools where a doctorate is not offered  
*(U.S. News & World Report, 2020)*



122

UNIVERSITIES  
& COLLEGES

490,000+

TOTAL ENROLLED  
STUDENTS



# A GROWING RELATIONSHIP WITH ISRAEL

Whether it be advancing forward-thinking water policy and freshwater science innovation or strengthening momentum across industries such as Aerospace & Defense, Business & Financial Services and Technology & Innovation, Arizona and Israel are global leaders that share a strong, collaborative relationship. A variety of Israeli-based companies have expanded into Arizona, providing a growing number of jobs.

## Israeli Companies in Arizona

| COMPANY  | INDUSTRY                        |
|--|---------------------------------|
| Mobileye   | Automated Vehicle Technology    |
| Universal Avionics<br>(an Elbit Systems Company) | Aerospace & Defense             |
| West Pharmaceutical Services                     | Pharmaceuticals & Biotechnology |
| Sisense  | Business & Financial Services   |
| Paramount Petroleum Corp                         | Mining & Oil Extraction         |
| Galtronics                                       | Telecommunications              |
| ClearVoice                                       | Business & Financial Services   |
| Time America Inc                                 | Business & Financial Services   |
| BIG Shopping Centers LTD                         | Real Estate                     |
| Stratasys Direct Inc                             | Manufacturing                   |
| Tomcar USA LLC                                   | Automotive                      |
| Airobotics                                       | Aerospace & Defense             |
| DB Premium Brands LLC                            | Retail                          |
| Imagry   | Automated Vehicle Technology    |
| Aritronix LTD INC                                | Manufacturing                   |
| Decor Team LLC                                   | Retail                          |
| Mythings INC                                     | Business & Financial Services   |
| Eviation   | Aerospace & Defense             |
| IMNA Solutions                                   | Digital Health                  |
| Keter  | Manufacturing                   |
| Ackerstone                                       | Manufacturing                   |

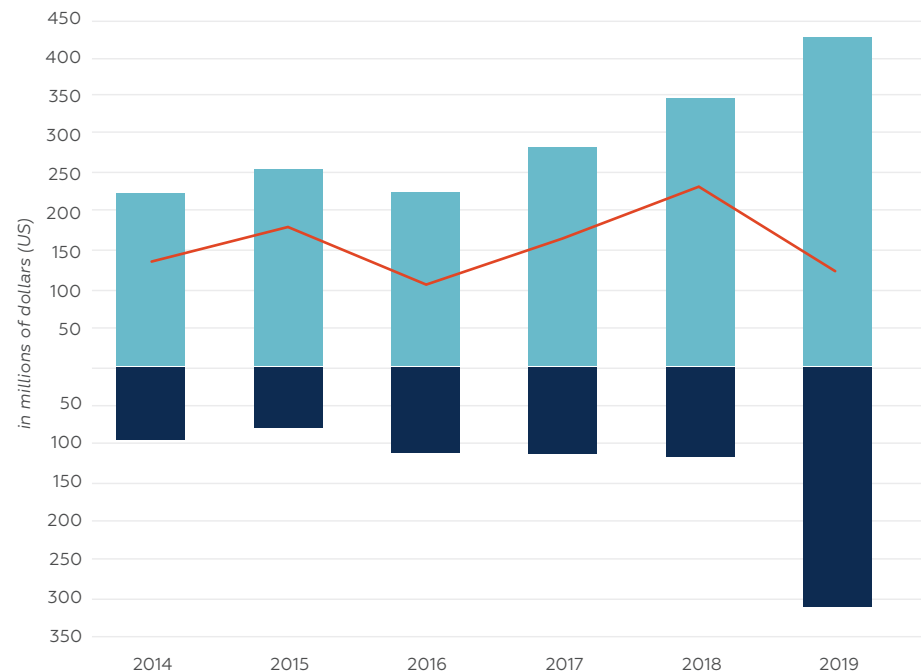




## A COLLABORATIVE TRADE PARTNER

Arizona and Israel are economically connected and are top trading partners, with 2019 imports and exports totaling \$746 million. This growing relationship represents our shared focus on strengthening cross-border economic and commercial ties.

Arizona exports  
to Israel have  
**INCREASED 84.5%**  
over the last  
5 years.



Source: WiserTrade, U.S. Census Bureau, accessed 06-06-2019. Not adjusted for inflation. Figures are rounded.

● Exports ● Imports ● Trade Balance



# EXPORTS TO ISRAEL

The **top 3** exported goods account for **73%** of all exports to Israel



Aerospace  
Products & Parts

**\$235**  
MILLION



Basic  
Chemicals

**\$43**  
MILLION



Semiconductors & Other  
Electronic Components

**\$40**  
MILLION

# IMPORTS FROM ISRAEL

The **top 3** imported goods account for **40%** of all imports from Israel



Machinery  
Manufacturing

**\$84**  
MILLION



Computers &  
Electronic Products

**\$25**  
MILLION



Semiconductors & Other  
Electronic Components

**\$23**  
MILLION

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In 2019, Israel was **Arizona's 18<sup>th</sup> largest export partner**. Exports from Arizona were valued at **\$437 million** and imports from Israel at **\$309 million**, creating a total trade balance of **\$746 million**.

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## A CONNECTED NETWORK

Entering the U.S. market can be challenging to say the least. Whether it's R&D, joint ventures, customer acquisition or even comprehensive understanding of where to open a U.S. office, there is one key ingredient that will expedite success to an Israeli company's growth: Network.



### **Arizona-Israel Trade & Investment Office in Tel Aviv**

Under Governor Ducey's leadership, in 2019 Arizona opened its first trade and investment office in Israel. The new office, a part of the Arizona Commerce Authority, is located in Tel Aviv and creates a platform for businesses in both countries to increase international trade and foreign direct investment opportunities. The office supports increased collaboration in shared areas of strength — technology and innovation, research and development, entrepreneurship and more. Both Arizona and Israel continue to work together to advance forward-thinking water policy and freshwater science innovation.



**The Arizona Israel Technology Alliance (AITA)** serves as the premier resource for companies and organizations in Arizona and Israel on collaborative initiatives. AITA is dedicated to promoting and strengthening business, investment, entrepreneurship, technology and trade relations between the technology communities of Arizona and Israel. AITA's purpose is to increase and support bilateral trade and investment between Arizona and Israel, with each offering resources and opportunities across the technology industry.



**The Arizona Chamber of Commerce and Industry** works to increase economic growth by advocating for free-market policies and working to advance Arizona as a leading player in the global economy. The organization serves as the collective voice for Arizona business at the state legislature, representing the interests of commerce and industry.



**The Arizona Technology Council (AZTC)** works to connect, empower, and engage technology companies across the state of Arizona through educational seminars, business legislative lobbying, and networking events. ATC has a diverse member community of science and technology companies, professional service vendors, academic organizations, and non-profit entities. With offices in Phoenix and Tucson, the Council provides value to technology companies and offers business networking in Phoenix, Tucson and Northern Arizona.



# A SUPPORTIVE ECOSYSTEM

With access to supportive programs and a passion for driving the Arizona economy, we're here to help make your transition as seamless as possible. We'll help connect you with experts and service providers related to the following:

## **Structuring Your American Company**

- Incorporating
- Tax Issues
- Business Licenses
- Regulatory Compliance
- Banking and Cash Management
- Accounting & Bookkeeping
- Insurance Requirements

## **Finding a Facility**

- Real Estate Brokers
- Commercial Leases
- Short-term Leases & "Soft Landing" Options
- Office Equipment
- Furniture
- IT & Telecommunications Services & Setup

## **Staffing the Office**

- Transferring Israeli Employees
- Housing & Family Adjustment
- Visas
- Hiring American Employees
- Recruiting, Job Descriptions & Interviewing
- Comparative Wage and Benefit Information

## **IMPACT Program**

The AITA's impact program is designed to achieve optimal business objectives for Israeli companies looking to enter the U.S. market. The program offers customer profile and market analysis, coordination of meetings and customized visits to the Arizona market.

## **Arizona Commerce Authority Programs & Services**

The ACA's expert team is comprised of business professionals with in-depth knowledge of the Arizona market and the many unique advantages the state offers to businesses. The ACA's comprehensive suite of programs and services includes custom market research and site selection, financial programs designed to enhance corporate growth, international trade, workforce development and training, innovation and entrepreneurship, small business services, manufacturing support and more. Please visit [azcommerce.com](http://azcommerce.com) for additional information.







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