



STATE OF ISRAEL
MINISTRY OF FINANCE

SPOKESPERSON OFFICE

INTERNATIONAL AFFAIRS
DEPARTMENT

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Press Release

**NIS 177 Million Joint Government-Private Sector Fund to Invest in
Minority-Operated Businesses**

The El-Boudar Group has won a tender issued by the Prime Minister's Office, the Ministry of Finance and the Ministry of Industry, Trade, and Labor for a joint government-private sector investment fund (equity project) that is to be established for the purpose of investing in businesses owned and/or operated by minority groups. The fund amounts to NIS 177 million, with the State allocating NIS 80 million and the El-Boudar Group NIS 97 million.

The purpose of the fund is to promote the expansion of existing businesses and to help in the establishment of new businesses operated by minority groups. The fund will achieve its objectives by providing sources of financing in addition to managerial and strategic business advice.

Under the terms of the agreement for the establishment of the fund, the fund will work to make all its investments within a period of five years from the date of its establishment. After that date, the fund will be involved in helping expand and assist businesses in which it has invested. It was decided that the Israeli government will have the status of a limited partner in the fund in order to ensure that the fund's investment decisions are made solely on business considerations such as maximizing the return for minority-owned businesses. Decisions regarding investments in companies will be taken by the fund's managers alone, and not by representatives of the State.

The Accountant-General Mr. Shouky Oren stated that a comprehensive study of the private equity market in Israel and the businesses' requirements was carried out in recent months. The study was commissioned in order to gather information that would help establish an effective fund that would both meet the needs of minority-owned business enterprises and at the same time conform to the regulations imposed on existing investment funds in the economy. The Accountant General also stated that he believed the fund will contribute to promoting minority-owned businesses and assist in their smooth integration into the broader Israeli economy.



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The Director-General of the Prime Minister's office Eyal Gabai said: "This is an additional stage but not the last stage in the government measures aimed at fully exploiting the business potential inherent in the Arab population, and the government is expected to take further resolute and significant measures during the coming weeks".

The Minister for Minority Affairs Prof. Avishai Braverman congratulated the El-Boudar Group on winning the tender, and said that he believes the fund's success will lead to increased demand for business initiatives and investments among the Arab population. The Minister emphasized the importance of utilizing the opportunities within Israel's minority populations and stated: "The next decade will see real participation of the Arab population in the Israeli economy and in Israeli society, to everyone's benefit".

Ayman Saif, Director of the Economic Development Authority for the Minorities Sector at the Prime-Minister's Office, said that he is happy at the success of what is regarded as a flagship project for government. He noted that the success of the project is a highly important achievement, reflecting both the business sector's expression of confidence in Arab-operated businesses and the feasibility of investing in them. The fund's investments in pre-existing businesses and in new businesses will lead to many new employment opportunities and will enhance many minority-owned businesses in Israel.