

Jerusalem call centers to be subsidized

DANIEL KENNEMER, THE JERUSALEM POST

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The government approved a subsidy program this Sunday to provide incentives for the development of call centers in Jerusalem.

Jerusalem was added to the list of cities, towns and villages already receiving the subsidy for locally-oriented call centers, with the addition of special conditions designed to channel the subsidy to the development of internationally-oriented call centers in the multicultural, multilingual capital. Nathan Sharansky pushed for the initiative.

Industry, Trade and Labor Minister and former Jerusalem mayor Ehud Olmert – who put the proposal through with the support of Finance Minister Binyamin Netanyahu – stressed the importance of the decision for the city's economy.

"Our effort is focused on branding Jerusalem as a city of business opportunities in those areas where we have competitive advantages," said Eli Kazhdan, CEO of StartUp Jerusalem, an organization promoting economic development in the city, and key advocate of the program. "We look forward to a continued strategic partnership with the government, the municipality and the Jerusalem Development Authority to promote our nation's capital."

As reported exclusively in *The Jerusalem Post* on Friday, the call centers to benefit from the incentives must be competitive internationally, at least 75 percent of the services must be rendered to clientele abroad, and no fewer than 70 percent of the employees must be either new immigrants (having arrived in Israel since 1994), haredim or Arabs.

"If we succeed in helping foreign companies to successfully bid for the tenders of the Ministry of Industry, Trade and Labor, and as a result to employ a few hundred new immigrants, ultra-Orthodox and Arabs under one roof, then we see this as a great step forward that will certainly help position Jerusalem on the international map for offshore contact centers," said Jafar Sabbah of StartUp Jerusalem.

Other businesses involving phone-line based outsourcing of work abroad, including providers of legal services and various medium- and high-technology services, are also intended beneficiaries of the program.

The government decision will come into effect immediately, and tenders will begin to be issued inviting companies to take advantage of the benefits.

Sources indicate that there is discussion of further incentives which would complement today's government decision, such as breaks on municipal tax (arnona) and land development fees for all

new businesses in Jerusalem, including call center projects.

CSM seen as major benefactor

The program announced Sunday will subsidize recently created jobs in new or existing call centers in Jerusalem, providing NIS 1,000 toward the monthly wage of as many as 800 employees in the city for up to five years, sources indicate.

The average base monthly wage in the city's only existing call center, CSM, ranges from NIS 4,500 to NIS 8,000.

The sole existing company that will currently benefit from the government's incentive package is CSM, a subsidiary of the US company IDT, as the wage of each additional employee will be subsidized.

Assuming a fairly quick turnover, any other potential benefactor will have to act fast to seize a share of the subsidy, as CSM currently employs some 650 Jerusalemites even without government aid. Sources estimate that the average call center employee sees the position as temporary and will likely move on within six to nine months.

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