

# Cellular phone providers plan roadside antennas

By Guy Leshem and Sharon Kedmi

The cellular telephone providers have been holding talks with the National Roads Company (NRC) aimed at allowing them to set up antennas along highways around the country. This would apparently allow the companies to circumvent planning restrictions. One of the companies is leading the talks, but if the talks are successful, all of them would benefit.

Under the plan, the antennas would be placed along hundreds of kilometers of intercity highways at the base of existing street lights and signposts. This would appear to circumvent planning regulation 36, which covers cellular antennas, and under which approval for antennas has been given until now.

Under the planning regulations, the local planning authority in whose area the cellular company wishes to place its antennas has to publicize the request and hear objections.

However, the cellular providers have found a way to cir-

cumvent the few restrictions that were placed on them. Regulation 36 does not cover intercity highways, which come under the responsibility of the National Roads Company. Under the law, the NRC is not only responsible for the roads themselves, but also for their shoulders to a distance of a few dozen meters on either side. The NRC does not need planning permission to place buildings or antenna poles in these areas.

In this way, the cellular companies will avoid the bureaucracy of the planning authorities, and the need to hear objections from the public.

The NRC, which is a government company, most of whose income comes from the Transportation Ministry's development budget, will make \$1,000-5,000 per site per month.

Sources in the cellular sector said yesterday that the number of antennas in city centers and population centers will not decrease as a result of the placing of antennas along the highways. This would rather address a problem in the periphery, where cellular coverage is weak or non-existent.



Moti Kimche

Rooftop cellular antennas need local authority approval.

The NRC said in response to this report that the company "stringently follows all orders, laws and regulation in all of its areas of operation... In the case of the possibility of using roadside constructions

and street lights for the placement of cellular antennas, this is still in its infancy and is the subject of a viability check. In any case, the company will abide by all planning rules and regulations."

# Dor Alon demands disqualification of Paz, Delek from refinery tender

By Sharon Kedmi and Ora Cohen

Dor Alon yesterday sent a letter to the Antitrust Authority and to the Government Companies Authority demanding that they disqualify Paz and Delek from participating in the Ashdod oil refinery tender.

If Paz and Delek are not disqualified, Dor Alon is threatening to take legal action, *TheMarker* has learned.

In the 20-page letter, Dor Alon, which is headed by David Weisman, repeated claims made in the past that the two companies should be disqualified, each for a different reason. Delek should be disqualified, according to Dor Alon, because of its stake in Thetys Sea, the natural gas supplier. This does not conform, the company says, with the gas sector law, which does not allow cross-ownership of gas and fuel companies.

The Antitrust Authority has already given its opinion on this claim, and recently sent a letter to Delek in which it told the company that it has to sell part of its stake in Thetys Sea in order to conform to the law. Sources

at Delek say that they will conform to all of the stipulations of the law in order to participate in the tender.

Dor Alon claims that Paz should be disqualified for two reasons. The first is that the senior executives of the company, including CEO Moudi Ben-Shach, were investigated in the gas cartel affair. The company's second claim is that the company's controlling shareholder, Zaidik Bino, was involved in the "Polish affair," about which an appeal on arbitration is still being heard.

There are now only the four large fuel companies, Paz, Delek, Sonol and Dor Alon left in the race for the Ashdod oil refinery, following the disqualification of the Bianca group, and the withdrawal of Yossi Meiman's Ampal. At this point, it is not clear what the final number of participants in the tender will be, and government sources have expressed concern that there may in the end only be two, and possibly only one. It is not clear whether Dor Alon will compete for the Ashdod refinery, or whether it will concentrate on the bigger refinery in Haifa.



Eyal Toueg

Dor Alon head David Weisman

The Antitrust Authority has recently told the group that it will not allow it to compete in this tender, but Dor Alon is trying to change the decision. Sonol is reconsidering its participation in the tender in the light of the impending Gaydamak-Nuriel deal.

Paz responded that "One does not judge a person in his hour of distress, and Paz would like to repeat what has been said before: Whoever throws mud only assures himself of one thing - a dirty hand."

Delek said in response to this report that the group is operating in accordance with the instruction of the authorities, and that the group does not refer to letters sent by anyone.

Without referring to the content of the letter, the Government Companies Authority said that similar applications have been received in the past. The representatives of the state will discuss the matter and will announce their decision to the participants in the tender.

# British Gas to resume talks over supply of natural gas

State-backed guarantee should pave way to success

By Sharon Kedmi

British Gas will definitely resume negotiations over the supply of natural gas to Israel. Furthermore, Israel is expected to issue a state-backed guarantee on the purchase of the gas, *TheMarker* has learned.

In discussions this week at the Prime Minister's Office, the plan for the negotiations with the company was worked out, and the biggest change compared to previous talks, which failed, is the issuing of the guarantee, a move that is likely to pave the way to success in the talks, because a state guarantee is the best security that any company can receive.

In the coming days, British Gas vice-president for the Middle East Stewart Fish is due to arrive in Israel to personally conduct the negotiations. Fish will arrive on the backdrop of intervention by the British government, following the visit to London by Prime Minister Ehud Olmert last week. Olmert had talks during his visit with British Chancellor of the Exchequer Gordon Brown, during which Olmert made it clear that Israel would be happy to buy gas from BG, if the company were to resume talks.

In 2005 Olmert, who was finance minister at the time, sent a letter to Brown, de-

claring Israel's interest in buying gas from BG. This was the opening shot in the negotiations, which lasted

for six months before failing. BG announced that it would sell the gas to Egypt rather than Israel.

Analysis / Sharon Kedmi

## Good for everyone

The resumption of talks with British Gas on the possibility that the gas reserves off the Gaza coast will reach the Israeli market will serve all sides.

Israel will have a second supplier of natural gas in addition to the Thetys Sea consortium, which supplies natural gas from the reserves off Ashkelon, most of which has already been sold, and apart from the Israeli-Egyptian supplier EMG, which at the moment looks to be the country's only supplier of natural gas for the coming two decades.

An additional quantity of natural gas, at an attractive price, whether with government guarantees or without them, will make the Finance Ministry's dream of setting up private electricity suppliers to compete with the Israel Electric Corporation come true.

BG will earn a few hun-

dreds of millions of dollars from producing and selling the gas. It has never been said on the record, but the possibility that the gas would remain under the sea if it were not sold to Israel has been regularly brought up and has not fallen on deaf ears.

The Palestinian Authority and the Khoury family's CCC will get their pound of flesh in return for the natural gas, whether in cash or in the form of electricity, water or food.

The Egyptians will also benefit, even though on the face of it they are losing a deal that was already initiated. Their political reward is assured, otherwise the Egyptian regime would not have agreed to BG's changing direction again, and returning to Israel in violation of its understanding with the Egyptian gas company.

# Bill to require apartment rent to be in shekels

By Anat Georgi

Minister of Construction and Housing Meir Sheerit is initiating a bill that would require quoting apartment rent prices in shekels.

According to Sheerit, pricing rent in shekels is in the interest of the Israeli economy and the consumers.

Under the bill, which is currently being formulated, rent quoted in foreign currency will not be valid; and the same goes for rent that is linked to foreign currency. Landlords will be entitled to link rent only to the consumer price index.

Additionally, tenants who have paid rent that is linked to a foreign currency will be entitled to receive the difference between the amount paid and the amount that would have been paid had the rent been linked to the CPI.

Sheerit says that the linkage of rental housing to foreign currency rates has significant negative consequences on a macro-economic



Meir Sheerit

level. According to Housing Ministry estimates, since the cost of rent comprises 20 percent of the CPI, a 5-percent rise in the exchange rate of the U.S. dollar causes a 1-percent rise in the CPI.

The minister said that the fluctuation in the shekel price of rent as a result of the dollar linkage harms both landlords and tenants, since most of their income and spending is in shekels.

Analysis / Anat Georgi

## Bill may pass, but that's all

Even if Construction and Housing Minister Meir Sheerit's plan comes to fruition and he manages to formulate and pass his bill through Knesset, it is hard to believe that it will be implemented.

The housing market is free, competitive, uncontrolled and unsupervised.

Rental rates are fixed by landlords based on demand in the area where the property is located, and they go up and down according to the state of the economy.

A rental contract is private and based on negotiations between the landlord and tenant. The government is not involved, does not control the process, and is unaware of what transpires.

For example, rent in the Tel Aviv area went up by 15-20 percent, and in some cases even by 30 percent, last year.

Additionally, landlords toughened contractual terms, and imposed severe constraints leading up to contract signings such as sizable guarantees.

Why? Because they can. Demand for apartments continuously rises, especially

in the Tel Aviv region, and property owners understand well that they can milk more from their assets without investing a penny in them.

Tenants are left helpless due to the limited supply of apartments for rent and must pay the price, without any government body to protect them or rein in the sharp rises.

In addition, previous experience shows that even when the government tries to change behavior patterns in the real estate market, it has failed miserably.

Three years ago, a law was passed which states forbidding apartment sale prices in dollars.

This was an attempt by the government to regulate payments in the sector and impose a shekel payment policy.

In reality, however, second-hand apartments are priced in dollars, as are new ones. For this reason, it looks like at best, if the law is passed, it will be on paper only, with only a small proportion of landlords expected to abide by it.

Market Report / Nathan Sheva

# Bank shares sink as world drags down local stocks

The negative world trend lasting a month now dragged down Israeli stocks for the third consecutive day yesterday. The TA-25 index lost 0.5 percent, to 813.8 points, and the TA-100 index lost 0.7 percent, to 825.3. The Tel-Tech 15 index retreated by 0.7 percent too. Turnover remained below average, at NIS 800 million, indicating that many players are waiting on the fence until the fog shrouding world markets dissipates.

Asian and European stocks retreated on Monday after a senior Fed official commented that inflation was cause for worry. Atlanta Fed President Jack Guynn said that core inflation may have already risen too high, and indicated that the Fed may resume raising interest rates.

The higher interest rates climb, the less allure shares have when compared to the rising returns on risk-free vehicles. It can also hurt market caps.

Meanwhile, all the big investment banks have been updating their reports on emerging markets and Is-

rael. Their recommendations are a mixed bag. HSBC yesterday issued a long report on Israel specifically, explaining its brief counsel two weeks ago to downgrade Israel to Underperform.

Share prices dropped sharply in other emerging markets, the bank explains, but less so in Israeli market, which had become a defensive investment. It suggested that investors take more risk in other markets as Israeli stocks could underperform them once stability returns.

Morgan Stanley on the other hand wrote that Israel is undervalued, and noted the country's strong economic parameters. On Monday, Deutsche Bank upgraded Israel to Neutral, also noting its defensive qualities.

Though they received warm mentions from the above foreign banks, Israel's big banks continued to lose ground. Bank Leumi (TASE: LUMI) inched down 0.1 percent, the share is down 17 percent from its peak attained earlier this year. The bank is trading at an equity multiple of only 1.3. Bank

Hapoalim (TASE: POLI) is also down 17 percent from its peak after losing 0.9 percent yesterday. Its equity multiple is 1.4.

The Tel Aviv Real Estate-15 index had risen 7 percent over the last week, but yesterday succumbed to the negative trend and retreated by 1.2 percent. Alony Hetz (TASE: ALHE) weakened by 0.2 percent after rising 9 percent in two days. Yesterday morning, HSBC named Alony Hetz as one of its stock picks among real estate shares.

Africa Israel (TASE: AFL), the heaviest share in the Real Estate-15, dropped by 1 percent.

Teva (TASE: TEVA) lost 0.6 percent after starting on a negative arbitrage gap, and dropped to an eight-month low. On Monday, Teva received approval to market the generic version of Merck's Proscar, which is used to ease the symptoms of benign tumors of the prostate, reducing the risk of surgery. Teva won a six-month exclusivity window in marketing the drug, which commands U.S. brand sales of \$400 million a year.

## SELECTED SHARES IN NEW YORK

Symbol	Company Name	Closing Price	Change	Volume	12 month High	Low	market cap	P/E
DJI	DOW JONES	10974.84	0.4	--	11670.19	10156.46	--	--
IXIC	NASDAQ 100	2107.06	-0.2	--	2375.54	2025.58	--	--
SPX	S&P 500	1240.87	0.1	--	1326.70	1168.20	--	--
AUDC	AUDIOCODES	10.95	0.6	185797.00	14.64	8.95	472.1	37
ACSEF	ACS-Tech90 Ltd	7.09	0.6	18877.00	11.00	2.90	21.6	22
ALDN	ALADDIN	20.79	0.0	15990.00	23.79	15.78	303.1	25
ALVR	ALVARION	6.18	0.0	252068.00	11.82	6.03	362.7	LOSS
ALJ	ALON USA	27.44	-0.6	225900.00	36.20	17.05	1175.0	9
DOX	AMDCOS	34.04	-0.5	135800.00	39.15	24.30	7346.6	25
AMPL	AMPAL	4.96	4.2	32880.00	5.22	2.80	99.0	LOSS
XTLB	XTL BIOPHARMACEUTICA	4.63	0.0	0.00	12.00	4.40	81.0	LOSS
ARTX	AROTEC	0.28	21.7	594527.00	1.20	0.22	23.1	LOSS
ATTU	ATTUNITY	1.60	-3.6	1681.00	2.85	1.34	27.6	LOSS
ODMO	ODIMO	1.30	2.4	3450.00	5.70	1.04	9.3	LOSS
OMRI	OMRIX	11.53	-6.0	138927.00	14.99	9.53	82.6	--
BOSC	B.O.S.	2.69	0.4	200.00	4.99	2.05	16.8	LOSS
BWEB	BACK WEB	0.57	1.8	29936.00	0.95	0.37	23.4	LOSS
BPHX	BLUEPHOENIX	5.25	1.2	10500.00	5.78	3.60	73.3	30
BVRSFOB	BVR SYSTEMS	0.24	0.0	67714.00	0.31	0.12	22.9	0
CAMT	CAMTEK	6.07	2.0	52456.00	8.40	2.56	167.6	62
SCOP	SCOPUS	5.45	-2.7	14995.00	8.35	4.80	71.4	LOSS
CRNT	CERAGON	4.80	-0.6	17700.00	5.59	3.40	125.5	38
CHKP	CHECKPOINT	18.05	0.2	1518806.00	24.50	17.67	4487.0	15
CMT	CIMATRON	1.48	-2.0	41481.00	1.69	0.50	18.5	LOSS
SFAU	SAIFUN	28.48	1.0	51524.00	38.46	26.55	819.0	4
OKSW	CLICK SOFTWARE TECHNI	1.72	4.2	18293.00	2.02	1.20	47.4	LOSS
CTCHC	COMMITOUCH	0.90	1.1	85300.00	1.46	0.49	47.8	LOSS
CGEN	COMPLUG	3.35	-1.5	7444.00	5.22	2.46	93.1	LOSS
CMVT	COMVERSE	20.12	-0.3	291256.00	29.64	19.17	4345.6	37
DSSIOB	DATA SYS	2.97	5.7	19775.00	3.28	1.05	24.1	LOSS
DLT	DELTA	7.00	0.0	0.00	9.13	5.70	130.9	LOSS
DDDC	DELTA THREE	2.65	1.2	58236.00	3.60	2.33	78.8	>100
DSPG	DSP GROUP	23.75	-0.3	104343.00	30.80	22.48	711.8	24
DK	DEKAL HOLDINGS	13.99	2.5	106900.00	17.99	12.08	419.3	--
ESIMFOB	E-SIM	0.17	0.0	0.00	0.33	0.10	4.3	LOSS
ECIL	ECI TELECOM	8.32	-0.1	180387.00	12.00	7.22	922.7	28
ECTX	ECTEL	4.55	-6.8	249855.00	5.75	3.28	82.7	LOSS
EMTF	ELBIT MEDICAL	22.50	0.3	3803.00	26.40	14.47	493.2	>100
ESLT	ELBIT SYSTEMS	26.15	0.6	21800.00	28.00	20.71	1072.2	33
EVSINF0B	ELBIT VISION	0.43	-4.4	71502.00	0.89	0.35	12.3	20
ELRN	ELRON	9.62	0.2	5070.00	14.72	9.49	284.3	6
BLTK	ELTEK	3.86	-1.0	42818.00	5.35	1.67	16.2	14
EQY	EQUITY ONE	20.94	0.5	20190.00	24.90	20.64	1581.0	17
FORTY	FORMULA	11.31	3.2	1900.00	13.50	9.80	149.3	>100
FNDT	FUNDTECH	10.56	0.6	10202.00	13.10	8.90	168.8	42
GILT	GILAT SATELLITE	8.03	-0.4	117588.00	8.50	5.06	192.8	sem
ANSW	ANSWERS	9.88	-1.6	54075.00	16.60	8.77	71.4	LOSS
GIVN	GIVEN IMAGING	15.21	-0.2	152250.00	29.00	14.86	451.7	>100
HCTL	HEALTHCARE	0.79	-2.5	11800.00	1.35	0.37	6.1	22
ICTS	ICTS	1.91	-3.5	8099.00	3.55	1.65	12.4	LOSS
IGLD	INTERNET GOLD	5.59	-1.1	9300.00	6.80	4.60	103.0	26
MAIL	INCREDIMAIL	5.20	11.8	19438.00	9.88	4.47	48.7	42
ITRN	ITURAN LOCATION	14.54	-1.0	48570.00	18.69	11.32	339.4	23
ISRL	ISRAMCO	16.86	-1.2	400.00	17.99	9.16	45.8	LOSS
JCDA	JACADA	2.44	4.7	6100.00	3.58	2.28	47.6	LOSS
KERX	KERYX	12.54	-2.3	330539.00	19.35	12.40	473.0	LOSS
KOR	KOOR	10.82	0.6	12500.00	12.95	9.19	898.1	13
LNOP	LANOPTICS	8.73	-2.7	2716.00	10.84	4.56	101.6	LOSS
LIPMA	LIPMAN	26.94	0.4	70485.00	33.52	19.15	739.8	35
MERQPK	MERCURI	34.30	-2.3	73859.00	0.00	0.00	3422.3	0
FLSH	M-SYSTEMS	29.16	-1.8	556759.00	37.60	18.90	1200.1	23
MAGS	MAGAL	9.52	0.2	10481.00	14.20	7.82	98.9	47
MGIC	MAGIC	1.62	-1.2	8406.00	2.34	0.97	50.2	LOSS
MTSL	MER	2.80	8.5	1264.00	4.23	2.53	14.9	LOSS
MTLK	MINDLINK	5.97	1.2	8920.00	6.49	3.81	116.1	LOSS
MINDO	MIND CTI	2.53	-1.9	7065.00	3.50	2.45	54.6	13

Symbol	Company Name	Closing Price	Change	Volume	12 month High	Low	market cap	P/E
NINDS	N.D.S.	45.50						