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[There Are Some Lessons From Israel's Success: Harold Mitchell, Sydney Morning Herald, Feb. 10, 2017](#)— No matter what President Trump says or does, this century belongs to Asia.

[Accelerating to Warp Speed: Ilan Evyatar, Jerusalem Post, Feb. 23, 2017](#)— Israeli innovation is about to enter warp drive, OurCrowd CEO Jon Medved tells me, borrowing a phrase from the iconic Star Trek TV series that described the propulsion system that would take the USS Enterprise into faster-than-light flight.

[Intel Deal for Mobileye Fuels Israel's Drive to Become Automotive Tech Hub: Rory Jones, Wall Street Journal, Mar. 14, 2017](#)— Our earliest encounter with the study of History ought to have occasioned a certain exaltation , but also a significant distress.

[Can Startup Nation be an Incubator for Palestinian High-Tech Entrepreneurs?: Dov Lieber, Times of Israel, Mar. 3, 2017](#)— When Sari Taha, 28, began his mechanical engineering degree at Birzeit University in the West Bank city of Ramallah, in the back of his mind he knew this would mean he'd be looking for a job in Saudi Arabia or the United Arab Emirates four years later.

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**INTEL DEAL FOR MOBILEYE FUELS ISRAEL'S DRIVE
TO BECOME AUTOMOTIVE TECH HUB**

Rory Jones

[*Wall Street Journal*](#), Mar. 14, 2017

Israeli startups have new incentive to hit the gas in a race to develop the next big vehicle-automation technology. Intel Corp.'s \$15 billion acquisition of Jerusalem-based Mobileye NV—the biggest technology deal in the so-called Startup Nation—has raised hopes that Israel can produce companies that may attract massive investments from multinationals. “It shows that we can build big companies that sell with 11-figure numbers,” said Ben Volkow, the founder of Otomono, a data company that helps car firms gather information from connected vehicles.

From cybersecurity to artificial intelligence, Israeli entrepreneurs have turned this Mediterranean country into a global innovation hub. Now they are disrupting almost every element of the car manufacturing chain, using local expertise to create cutting-edge technologies in everything from combustion engines to quick-charge batteries. The country has come to occupy a prominent position in the global automotive supply chain despite not having much of an auto industry at home.

Mobileye—known globally for its chip-based camera systems that power automated driving features—has said its operations and roughly 600 employees will remain in Israel. “This [Intel] deal will be looked at as the new phase for the industry,” Eran Shir, chief executive of Israeli startup Nexar Ltd., said of the Mobileye buyout. “Data is now the new oil.”

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Intel's investment is expected to further spur development of Israel as an automotive hub, with more than a hundred Israeli firms already working in this space. Mr. Volkow's Otonomo, for instance, is focused on the data collected by cars. His platform takes hundreds of parameters that new connected cars communicate to manufacturers in real time—tire pressure, driving habits and what is on the radio—and sells the data to third parties such as insurance companies, retailers and maintenance firms to boost car manufacturers' margins.

The Israeli firm is working with eight car manufacturers, including Daimler AG, and aims to become a marketplace like Apple' Inc.'s iTunes for car data. The Nexar app is attempting to make motorists more accountable, with just a smartphone and a dashboard holder. It uses cameras and sensors in the smartphone to create a network of phones that monitors cars and drivers. The app warns individuals about potential hazards one or more cars ahead and can reconstruct collisions for insurance claims. The app is being piloted with professional drivers that work with ride-hailing apps such as Uber Technologies Inc.

About 400 Israeli companies and entrepreneurs in the transportation and automotive sector have raised roughly \$4 billion from investors in four years, according to EcoMotion, a nongovernmental organization set up in partnership with the Israeli Prime Minister's Office and Economy Ministry. The figure includes an initial public offering from Mobileye and Volkswagen AG's purchase of a \$300 million stake in Israeli taxi app Gett last year. Israeli-founded ride-hailing app Via Transportation Inc. raised \$100 million last year. And Ford Motor Co. purchased an Israeli machine-learning company last year for an undisclosed sum. Fast-charge battery company Storedot Ltd. raised \$18 million in 2015 to power electric cars.

"We believe the auto industry is being transformed," said Emanuel Timor, a partner at Vertex Ventures, which originally bought a stake in Israeli mapping firm Waze, purchased by Google in 2013 for \$1 billion. "There's a great opportunity for startups." The country's expertise in cybersecurity is providing one such opportunity. Young Israelis trained by its defense forces in cyberintelligence have gone on to establish some of Israel's biggest tech firms. They also are creating

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security products to ensure cars aren't easily hacked.

"If there's a defined problem, Israeli startups are focused on solving that problem and monetizing it," said Ian Simmons, vice president of business development at Canadian parts supplier Magna International Inc. in a recent interview. It invested in Tel Aviv-based startup Argus Cybersecurity Ltd in 2015.

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THERE ARE SOME LESSONS FROM ISRAEL'S SUCCESS

Harold Mitchell

[*Sydney Morning Herald*](#), Feb. 10, 2017

No matter what President Trump says or does, this century belongs to Asia. It will be 50 per cent of the world's economy in no time with half of the world's middle-class customers. The middle class has driven the growth of Europe for more than 300 years. And in America, when Henry Ford doubled his workers' salaries so they could afford a motor car, he created the consumer momentum that made the US the economic force of the 20th century with 5 per cent of the world's population controlling 25 per cent of the world's economy.

But there are other places now where the catalytic forces of immigration and innovation, which established the US, are creating new opportunities. One of them is Israel, where I have been this week. Its 8½ million people are crammed into an area about a third the size of Tasmania with no natural resources. And while being

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on a constant war footing, Israel produces more start-up companies than Japan, India, Korea, Canada and Britain combined.

It should be no surprise that this tiny country has more than 10 per cent of the world's cyber-security industry and it's doubling every year. And the booming innovation companies work in fields as diverse as medicine and irrigation. It's not surprising that a country that transformed desert into a fruit and veg bowl would have invented drip irrigation...Three things stand out. First. Israel's motivation is the survival of its people. Let's not forget that it's a land of immigrants, bound together by a shared commitment to build a safe and prosperous nation. Charlie thinks that three years' compulsory military service for all young men and women toughens both body and mind.

Second, the Israelis have an enormously strong family culture. I built my business on the simple domestic values of telling each other the truth and when arguments occur they are fixed before bedtime. Most of our competitors spent a huge amount of time fighting among themselves because they didn't address their problems by the end of the day. Families, companies and nations succeed with these values. And third, some Israelis are not afraid to question authority, be it the boss or the government. And what's more, authorities usually listen. We should all know by now that if you tend to surround yourself with people who only agree with you, collapse is just around the corner. That is the story of the great Napoleon and it will be the fate of some current leaders who don't have the capacity to listen to news they'd rather not hear.

There was a good example just before I left. The governor of the Bank of Israel said: "The key to realising the economy's potential will be the development of policies that address economic issues of inequality, inefficient regulation and the need to increase both investment and human capital." Which raises a fourth great strength in fact: success through risk taking. The *Financial Times* reports: "While some 'old-economy' companies and industries are stagnating or struggling, the country's growing technology sector is a magnet for inward investment and a continuing source of jobs - including for its underemployed Palestinian and ultra-

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Orthodox minorities. "The industry accounts for 18 per cent of gross domestic product and more than one-third of the country's total exports."

The governor's agenda should be ours - reduce inequality, eradicate inefficient regulation and boost our investment and human capital. We are not doing enough and with Benjamin Netanyahu's visit to Australia in a week or so we should listen; we can really learn from Israel. I'm told Australian politicians were through here in serious listening mode a little while ago: Josh Frydenberg, and also late last year, Victorian minister Philip Dalidakis on cyber security. Clever!

But the story of Israel cannot end without an account of my visit to the Hadassah Medical Centre, part of the Hebrew University and with one of the world's great cardiologists, Professor Chaim Lotan, doctor at one time to former president Shimon Peres, who died last year aged 93. Chaim asked if I wanted to witness two simultaneous heart operations...On the right was an older Jewish man and to my left was a 12-month-old baby. And the team performing these lifesaving operations within sight of the wall dividing Israel from the Palestinian territory was made up of Arab Israeli and Jewish technicians, side by side. This is as you would expect from doctors of course.

But it struck me strongly that here in the operating theatre the animosities of the outside world didn't mean a thing. I wished the world's leaders could have been there. Both patients survived because of the day-to-day skilful co-operation of people across perhaps the most publicised of divides. It was one of the most memorable experiences of my life.

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ACCELERATING TO WARP SPEED

Ilan Evyatar

[Jerusalem Post](#), Feb. 23, 2017

Israeli innovation is about to enter warp drive, OurCrowd CEO Jon Medved tells me, borrowing a phrase from the iconic Star Trek TV series that described the propulsion system that would take the USS Enterprise into faster-than-light flight. With a bunch of good news in recent weeks, such as fourth-quarter 2016 growth figures of 6.2% - pretty much warp drive itself - and record low unemployment of 4.3%, I decided to skip the usual politics and gloom and doom. If you are looking for something upbeat, no one fits the bill better than Medved, who describes himself as "a guy who believes in miracles."

"What, me worry?" he says as I try to squeeze a little pessimism out of him on manpower shortages, the overly strong shekel and geopolitical risk. But seriously, Medved sees Israel's tech sector getting even stronger than it is now and that can only be good news. The tech community, he explains, and especially its investment arm, is shifting its interest to deep technology. In other words, while a lot of tech companies made it big on things that "didn't require changing the laws of physics" as he puts it, today's tech is intensely complicated, be it machine learning, computer vision, autonomous driving or whatever.

"These aren't apps. This is beyond the app economy - this is really complicated stuff and this is stuff where Israel shines. Things are about to get more intensely into Israel's favor, because as the market shifts into deep technology, Israel becomes more important," says Medved. As Prime Minister Benjamin Netanyahu would put it as he pushes Israel's tech on every stage, "Israel is at the nexus of the great change taking place in any technology."

So what does all of that difficult stuff translate to in economic terms? "If Israel has

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already taken a disproportionate share of the innovation economy, which it has, then it is going to be getting even more," says Medved. In 2016, he notes the tech sector in the whole of Europe - population several hundred million - attracted \$13.6 billion in investment, while Israel with a population of 8.5 million drew some \$4.8b. "Do the arithmetic," says Medved, that's 30 x on a per capita basis more than the European levels."

While choking Medved's enthusiasm seems about as hard as breaking the laws of physics, he does admit that there are challenges to making sure Israel's tech sector picks up speed fast enough to go into warp drive, in particular a chronic shortage of manpower. "We have to do essentially three things all at once," says Medved. "The way we solve that problem is, No. 1, to widen the circle of employment in tech to include the three big underrepresented groups. The biggest one is women; we need to bring in women in a major way, women entrepreneurs, women venture capitalists, women engineers and that's starting to happen, but not quickly enough. We need to bring Arab Israelis into tech and finally the haredim, where we have gone from a couple of thousand to 14,000 haredim in four-year colleges."

Second on Medved's list: importing engineers. "It's really meshuga that we can import Thai farm workers and Romanian construction workers, but we can't import Indian coders," he says before adding, "Where do we get more added value for the economy?" That, as he notes, is changing with government programs such as start-up visas for entrepreneurs and expert visas for coders and programmers. Third up for Medved is recognition that start-up economies are no longer about single country companies. "The smart and good start-ups today are baby multinationals with people all over the world not just selling but also in development," he says. "Sharp Israeli companies are now relying on all kinds of talent from all over the world, with development teams in Ukraine, India, the Philippines and God knows where, and that trend is going to continue."

While careful not to get drawn into politics, Medved notes that with United States President Donald Trump putting an emphasis on cyber security, Israel will have

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enormous opportunities on that front. What Medved is willing to say is that he is a believer in the growth of Israeli technology companies and the growth of the Israeli tech sector regardless of who is in charge.

"People have got to get out of this perspective that strategic issues change over matters of weeks. The relationship between Israel and the US is so much bigger than whoever is sitting in the Oval Office," says Medved. "It is so broad and so deep, with so many elements involved, but increasingly it's technology and business. And what's really interesting is how little coverage that gets, the fact that there is a \$25b. trade relationship between the US and Israel. The fact is there is so much joint development of products, that academic research has gone up nearly 50% in the last decade." And, throwing political correctness to the winds, he adds, "Let the BDS morons choke on that."

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CAN STARTUP NATION BE AN INCUBATOR FOR PALESTINIAN HIGH-TECH ENTREPRENEURS?

Dov Lieber

[Times of Israel](#), Mar. 3, 2017

When Sari Taha, 28, began his mechanical engineering degree at Birzeit University in the West Bank city of Ramallah, in the back of his mind he knew this would mean he'd be looking for a job in Saudi Arabia or the United Arab Emirates four years later.

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Taha did not manage to land a job in the Gulf. Instead, he worked for a short stint in a local construction company before landing a job for six months in Nigeria. Afterwards, he returned home, to work in the restaurant management business. Finally, he decided he was going to go back to school to study business at the Technion Institute in Haifa.

Sari's troubles are part of a much larger challenge for young Palestinians looking to break into the tech market. Palestinian universities produce around 2,000 IT graduates annually, according to a 2014 Paltrade report. But there are not enough jobs for them in the West Bank, nor according to the report, are these graduates "adequately skilled" to work in the local Palestinian IT market. The result is that most grads need look for jobs in the Gulf. And competition there is fierce.

Fast-forward four years and Taha has sold his shares in a tech startup he cofounded and is now busy putting together the first-ever Palestinian tech park, which he hopes to transform into a Silicon Valley of the West Bank. The city of Rawabi — the first pre-planned Palestinian city touted as an example for what can be achieved in a future Palestinian state — has been earmarked to host the park.

The fortunes of Taha, an East Jerusalemite, were changed by the Palestinian Internship Program (PIP), a three-year old USAID funded initiative that handpicks Palestinian IT graduates and sends them on internships in multinational companies and Israeli startups. The aim is for these Palestinian interns to soak up the knowledge of how to operate a successful and competitive tech startup and bring this knowledge back home to help build a Palestinian high-tech sector. Bereft of natural resources and without control over their own borders, Palestinians hope high-tech can play a major role in their flagging economy. According to the World Bank, the Palestinian gross domestic product (GDP) has been shrinking since 2013, mostly due to declining foreign aid.

The PIP initiative was set up by Yadin Kauffman, an American immigrant to Israel

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who in 2011 co-founded Sadara (Arabic for "forefront"), the first venture capital firm to target Palestinian tech startups. The \$30 million investment fund gathered by Sadara, which is backed by first-rate investors including George Soros, AOL founder Steve Case, and former eBay president Jeff Skoll, as well as Google, Cisco and the European Investment Bank, has so far backed six Palestinian companies, three of which are start-ups.

But Kauffman's PIP initiative, which began holding its first internships in the summer of 2014, aims to provide the Palestinian tech sector with another kind of capital: experience. "I've seen through my work investing in Palestinian companies that there were lots of talented young graduates coming out of Palestinian universities who did not have any opportunity to work and gain experience in a sizable tech company," Kauffman said in an interview with *The Times of Israel*. "That is something that is important for the professional development of these young graduates." Kauffman, who took part in Israel's tech-boom in the 1980s-90s as a venture capitalist, compared Palestinian internships in Israel to the valuable experience Israelis took home from working in Silicon Valley.

PIP internships are paid three-month stints, supplemented by workshops, company tours, networking events and mentoring. Kauffman admits there is a limit to what one can learn in such a short period of time. "But," he said, "at least it's a taste of what a significant company looks like." Nadine Handal, a female alumna of PIP from East Jerusalem who did software development while interning at Intel, said the program provided a "unique experience...not the kind you can find in the West Bank." "PIP tries to put you in an environment with professional people who have deep experience in the industry and exposure to global markets. I wanted to gain that kind of experience," she added.

After she finished her internship, the East Jerusalemite was hired by Intel and worked there for a few years. After leaving her job in Israel, Handal, who studied computer engineering in the West Bank, is now studying data analytics in the United States. Her goal is to open up her own Palestinian data analytics company. "I hope to be one of the people who will bring this new knowledge to my

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community and to the Palestinian IT-sector," she said. "It can provide job opportunities to a lot of talented Palestinian youth that are seeking opportunity. They will learn about a new and growing field and gain exposure to the advancements in technology in the world,"

The unemployment rate in the Palestinian territories at the end of 2016 was at 27 percent (18% in the West Bank and 42% in Gaza) and job creation has not kept pace with the growth of the labor force, according to the World Bank. Handal said the PIP business seminars, in which top teachers, including from Harvard and Brown, train the interns in entrepreneurship, were the most useful to her. "I found these very helpful for me, especially because I come from a technical background with little knowledge of business and management," she said...

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[Where Does Israel Rank in This Year's UN Happiness Index Report?: Jerusalem Post, Mar. 20, 2017](#)—The annual World Happiness Report published on Monday by the UN Sustainable Development Solutions Network has ranked Israel as the 11th happiest country in the world in 2017, a spot it has held for four years.

[Take Note of the Good News: Hezi Sternlicht, Israel Hayom, Mar. 6, 2017](#)—The good numbers continue to come out of Israel. After the latest poll indicating that Israelis are pretty well satisfied with life, the Bloomberg news agency's "Misery Index" of economic indicators came out over the weekend. Israel, happily enough, is near the bottom of the list, one of the least miserable countries.

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[Execs From Facebook, Google, and Microsoft Explain Why They Use Israel For Their R&D: Sam Shad, *Business Insider*, Oct. 6, 2016](#)—Born just 68 years ago, Israel has developed a reputation as one of the world's most innovative tech hubs. Silicon Valley multinationals in particular have cottoned on, setting up offices in the region and acquiring numerous Israeli startups.

[Israel is at the Forefront of Cardiac and Chest Trauma Innovation: Allison Barksdale, *Times of Israel*, Mar. 8, 2017](#)—Perhaps it is no secret that Israeli researchers are pioneers in innovation in a diverse array of fields. And perhaps one of the medical fields in which a sizable number of patients around the world could reap the benefits of Israeli ingenuity is cardiology.