



## Interview with Jonathan Glick, our man on the spot in Israel

**StMWi:** Jonathan, you are „Wirtschaftsreferent“ in the Bavarian Office in Tel Aviv for more than one year. What do you think about Bavaria's significance and awareness in Israel?

**Jonathan Glick:** Bavaria is growing steadily to become known as the go-to location in Germany among Israeli entrepreneurs. Since Bavaria has the strongest presentation in Israel, it is identified as a more relevant partner when it comes to expansion into the German market as well as a location to launch European activities.

**Israel today is worldwide known as a Startup-country. Can you tell us about trends you see in the Israeli start up-landscape?**

Israel is known as a Startup Nation. This is true when we look at the statistics behind- it has one of the highest concentrations of startups in the world, as well as a large venture capital community.

In recent years however, we have seen a trend in the startup ecosystem in Israel. We are witnessing a decrease in the number of new startups incorporated per year and a decrease in the number of failed startups. We are also seeing changes in the investment numbers- we are seeing an increase in overall sum of invested dollars in Israeli startups, yet we are seeing a decrease in the number of investment rounds.

All these figures and trends show that the Israeli startup ecosystem is changing and maturing. Startups are growing and maturing- we see this in the larger exits (which are influenced by the later-stage sale as opposed to earlier-stage sale) as well as in the funding- less rounds but overall larger investment means that the average investment size grew per round as well as more “growth rounds” rather than early rounds.

These trends will lead to companies in Israel becoming larger and growing their global presence.

## You are promoting the business relationships between Bavaria and Israel. Which possibilities of cooperation between bavarian and israeli companies do you see? What does Israeli need, what can they offer?

I see many opportunities for cooperation between Israeli companies and Bavarian companies.

On the Bavarian side I see two great possibilities:

- Internal use- Israel is very successful in many technological fields. This means a great potential for the digitization of the Bavarian industry. The large difference between the Israeli startup and the American one is that the Israeli is closer geographically, and usually more interested in the German market, and therefore willing to make changes for it.
- External use- Bavarian companies have a great potential for “technology shopping” in Israel. Id Est, Bavarian companies can look for cutting edge technologies to include into their own future product offering. The main difference and opportunity is that the Israeli startups are usually less “hyped” than the American ones and therefore price their products and themselves at a lower price than the American counterparts.

On the Israeli side I see three main opportunities:

- Bavaria is very prominent in certain industries, inter alia, automotive and industrial production. In these specific fields I see great promise for Israeli startups. Companies coming from Israel in the field of automotive technology or Industry 4.0 have no other country to look for except for Bavaria.
- Israel is known for its enterprise B2B software. As such, it has a great potential in the digitization of Bavaria companies.
- Israel is a traditional export market. As such, its startups are always looking to sell globally. Therefore, I see a great potential for Bavarian integrators and distributors in a cooperation.

Status: October, 04. 2019