



## Interview with our team in Israel

StMWi: Johanna, you have been in Israel for a few months and are now working together with Jonathan Glick in the Bavarian Office in Tel Aviv. Could you tell us about your start in a new environment in general and about your start in the office specifically?

Johanna Hebestreit:

Moving to a new country in the middle of the COVID-19 pandemic is surely a bit of a challenge. However, the colleagues in Israel supported me constantly during the transition and gave me a very warm welcome. Jonathan and I immediately started planning 2021 and are very much looking forward to exciting new projects.

StMWi: Like most countries worldwide, Israel was/is significantly affected by COVID-19. How is the Israeli startup landscape coping with it?

Jonathan Glick:

In the beginning of the crisis, the Israeli startup ecosystem encountered three main obstacles: work from home; restricted international travel; and capital.

Working from home was an obstacle faced by all industries. Nonetheless, startups, being more flexible and agile, have had an easier time transitioning to work from home status. Teams were already accustomed to the use of technology solutions for remote team work, so this obstacle was soon resolved.

Restricted international travel was a critical issue due to the fact that all Israeli startups are first and foremost positioned to the global market. Traditionally, Israeli startups, mostly being B2B, were on constant travel to meet clients and potential clients in the world. At first, this posed a great challenge; but once the world transitioned to video due to the crisis, many Israeli startups learned that they can make a lot of business without leaving Israel.

Last but not least, capital was another great challenge. In the first months of the crisis, global fears of a recession pushed investors to stop all investments due to fear of a market crash. As startups are by nature financed by external capital, this market situation caused great distress to the startup ecosystem resulting in some bankruptcies. Nonetheless as the crisis moved on, governments injected money into the markets, and while traditional companies suffered in the stock market, technology thrived. This

attracted investors back into the market investing heavily into the startup ecosystem resulting in record breaking investments.

Overall we can say that the Israeli startup market is exiting the crisis in a better position relative to the pre-crisis times, mainly due to the capital increases but also due to the fact that many industries have been forced to digitize and adopt new technology, some of it coming from Israel.

**tMWi: Our common goal is to intensify and deepen the economic relations between Bavaria and Israel. What do you plan to do in the new year 2021?**

Jonathan Glick and Johanna Hebestreit:

We want to continue to focus on networking between the two ecosystems, especially matchmaking between Israeli startups and Bavarian SMEs and large corporations. We also want to bring relevant multipliers from both areas together and deepen existing collaborations. Thematically, we will focus on the following topics:

- AI and IoT
- Agri-tech and food tech
- Life sciences
- Mobility and smart city
- Insurtech
- Venture capital

We are planning numerous event formats (online and hopefully face-to-face starting the second half of the year) in these areas. For instance Agtech-Roundtables covering the topics alternative proteins and sensors. Regarding Venture Capital we are planning a matchmaking event between Bavarian startups and Israeli investors. Of course, we will also support companies from both regions that are interested in investments and expansion in the respective other market.

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