

Gaza War Can't Stop Israel's Tech Deals

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[Bloomberg](#), [Gwen Ackerman](#) and [Dina Bass](#)

Missile attacks are forcing Israeli workers to periodically abandon their desks to huddle in bomb shelters, but the war with Hamas hasn't disrupted the flow of money into the country's technology industry.

Since the conflict escalated six weeks ago after the abduction of three Israeli teenagers, investors have kicked \$598 million into the country's tech startups. During the time between June 12 and July 24, investing has actually accelerated as the fighting has claimed more than 1,200 Palestinians and 55 Israelis. During a preceding six-week period starting in April, private tech financing was \$282 million, according to data compiled by IVC Research Center in Tel Aviv.

This week is set to be the busiest for initial public offerings of Israeli companies in New York in 12 years. [Mobileye](#), which develops video technology in Jerusalem designed to minimize auto collisions, and four biotech companies are scheduled to list shares. Mobileye is seeking to raise \$638 million in what is expected to be the largest IPO ever for an Israel-rooted company.

Israel has become one of the world's top tech hubs. It's host to hot startups, particularly in Tel Aviv where missile scares have recently been a common occurrence, as well as a strong cyber-security industry led by [Check Point Software Technologies](#) and research-and-development centers for Silicon Valley giants. Thanks to Israel's unique situation, its business professionals have developed an immunity to distractions from geopolitical conflict and war, says [Michael Eisenberg](#), a venture capitalist at [Benchmark](#) and [Aleph](#).

"I've been in Israel for five or six conflicts like this over 21 years, and I have never seen such an outpouring of support for Israeli technology and startups," he says. "All of this pressure in Israel doesn't distract people. It makes them more resilient."

Amid the violence in Gaza, other parts of Israel's economy are going strong, too. The shekel is approaching a three-year high, and bond yields are at a record low.

Life under fire has instilled a degree of mental toughness into Israelis, says Esther Loewy, the founder and chief executive officer of early-stage investment firm Upround Ventures. "The first lesson we have learned is that adversity, and tough mental and physical conditions produce stronger and successful companies," she says.

There's also a strong sense of camaraderie within Israel's tech industry. For example, Glide, a Jerusalem startup that makes a video messaging app, is offering temporary office space to fellow techies based in the more dangerous southern region of the country. Glide has continued to work during the conflict and released a version of its app for Amazon.com's Fire Phone on July 25.

While Jerusalem faces relatively few rocket attacks, there's still the occasional siren that, regrettably, breaks up the work day. Jonathan Caras, Glide's chief technology officer, jokes that the company "should really put a whiteboard up in the bomb shelter."

<http://www.ivc-online.com/ResearchCenter/NewsPR/NewsArchive/tabid/238/language/en-US/Default.aspx?nid=DBA218D2-8418-E411-B941-80C16E7D3630>