

Go4Israel encourages general collaboration between Israel, Asia.



ISRAELI INVESTOR Edouard Cukierman (far left) hosts a panel of Chinese and Israeli business leaders at the Tel Aviv Hilton. (photo credit:DROR SITAHKOL)

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Business cards flew with dizzying speed Monday at the Tel Aviv Hilton, where the Go4Israel business conference sought to promote and highlight Israel's economic relationship with China.

The annual conference – formerly titled Go4Europe – aims to encourage collaboration and investment between companies in Israel and abroad. This year,

it bore a particular focus on China.

Chinese investments are becoming an increasingly important part of Israel's economy, said Edouard Cuckierman, chairman of Cuckierman and Co. Investment House Ltd., which hosted the event.

In the past three years, China acquired \$7 billion in Israeli assets, pulling ahead of the United States and the European Union in that category, he said.

"It's only the last three years [that this relationship has] been developing quickly," said Harry Chang, managing partner of the Catalyst CEL Fund, a joint venture between Cuckierman and asset management company China Everbright Limited.

The fund launched earlier this year with the goal of introducing Israeli companies to China and other emerging markets. It kicked off in March 2014 with \$100m., and aims eventually to double or triple that number.

Chan said that Israel has becoming an increasingly attractive site for investment from China as the latter seeks to "move up the value curve by acquiring technology and innovation."

Whereas the first wave of outward-bound investment from China focused on natural resources, it is now shifting toward hi-tech industries prominent in Israel, he said.

There are caveats to the Israel- China relationship. One note of caution featuring prominently at the conference was the issue of intellectual property: Western companies often fear that by moving their company to China, they put their intellectual property at risk.

Shengyan Fan, a managing partner of Cuckierman's joint Chinese venture, said that the solution to this problem is to be proactive rather than drawing away from China.

"My answer is, if you're afraid someone might copy your technology, they're going to do it anyway, whether you enter the China market or not," she said.

Avishai Silvershatz, who heads a Tel Aviv-based equity firm investing in China, warned that the "hype cycle" of Chinese-Israeli partnerships may surpass reality.

“I’m afraid that we are now approaching the tip of this cycle, and soon we’ll come to the phase of disappointment,” he said. “A lot of these discussions, coming from goodwill on both ends, will end up with nothing.”

Nonetheless, the atmosphere at Monday’s conference was exuberant – “there is love in the air,” Silvershatz said.

After opening remarks from Cuckierman and Intelligence Minister Yuval Steinitz, Chinese investor Ronnie Chan, whose Hang Lung Properties Limited and its subsidiary control \$11b. in investments, took the stage to receive an award.

He encouraged Israeli business leaders to build a balanced relationship with China, rather than the typical cycle of launching a company only to have it bought and moved.

“Once a company becomes a certain size, somebody comes along – be it Intel, Google, IBM, or whatever – they just snap it up and it becomes an American company,” Chan said.

By contrast, he said, Israel should treat China as a partner.

“Why not work with China?” he said. “Not just to sell them companies – that’s fine too – but work with them.”

Chan said in China business leaders and members of government – often the same people – are eager to partner with Israel. He told a story about a party secretary of a major province – a “very senior guy” in Chinese government – read the book “Start-up Nation” about Israel’s tech scene and subsequently required all his top employees to read it.

Other prominent conference panelists included Agriculture Minister Yair Shamir, who spoke about helping pass anti-concentration laws during his time in the Knesset. He said those laws were an attempt to “put more oxygen into our economy” and in turn make it more attractive for investment.

Panels also focused on Israel’s relationship with Europe, its image abroad, and its manufacturing and agriculture sectors.

But with gross domestic product of \$16 trillion and a population of 1.35 billion, China's possibility as a partner for Israel – a country of 8 million – was at the top of the agenda.

“Israel and China together make up one-fifth of the world's population,” conference panelist David Marcus, a Tel Aviv lawyer, said jokingly. “So we really have a lot to do together.”

<http://www.jpost.com/Israel-News/Tel-Aviv-business-conference-aims-its-spotlight-at-China-379984>