

Top Israel VC Says Startup Nation Adds U.S. Economic Growth

by **Gwen Ackerman**

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- Jon Medved hopes Netanyahu to talk tech contribution to Trump
 - Israeli innovation almost 4% of Massachusetts GDP in 2015
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Jon Medved, founder of OurCrowd Ltd. *Source: OurCrowd*

Jon Medved, the Israeli venture capitalist who backed Shopping.com and built investment platform OurCrowd, says tightening technology ties with the Trump administration and allowing Israeli companies to continue to open branches in the U.S. will benefit both countries' economies.

Medved said he hoped Israeli Prime Minister Benjamin Netanyahu would put technology on the agenda when he meets Wednesday with U.S. President [Donald Trump](https://www.bloomberg.com/billionaires/id/1252249) in Washington. The two leaders are expected to discuss regional issues like Iran, the Islamic State and Israeli settlements.

“There’s an untold story peeping above the radar, and it’s how Israeli technology is driving U.S. economic growth,” Medved said in an interview in Jerusalem. “There’s a virtuous circle: investment coming in to Israeli companies, who then go out and create jobs in the U.S. This story isn’t out there, and in today’s context it’s important.”

A June report based on research by global consultancy [Stax Inc.](#)

[found](https://www.bloomberg.com/quote/0212921D:JP) that 216 Israeli-founded businesses in the greater Boston area employed 9,000 people and generated more than \$18 billion in direct and indirect revenue in 2015, 3.8 percent of Massachusetts’s gross domestic product. The companies also attracted over \$1 billion in venture capital, the report said.

Immigration Order

Medved’s comments come amid turmoil in the tech industry over Trump’s executive order restricting immigration and his call for companies to prioritize hiring Americans and invest more at home. In Israel, the tech sector is pressuring Netanyahu to open borders and allow visas for foreign experts to fill jobs that are vacant due to a lack of engineers.

“Without immigration, innovation doesn’t happen,” Medved said. More than 1,700 Israeli technology companies have offices in the U.S., according to industry monitor IVC Research Center. There are about 175 Israeli startups in the San Francisco area alone, according to the non-profit Israeli Executives and Founders Forum.

ADVERTISING

Before leaving for Washington, Netanyahu said he planned to raise the possibility of strengthening cyber security ties with Trump. Finance Minister Moshe Kahlon told his Kulanu party Monday he had asked Netanyahu to request an exception for Israel where outside corporate investment was concerned.

“Israel has a lot of U.S. investors, our economy needs it and it’s important to us,” Kahlon said this week.

Talking Cyber

Medved said he would expect technologies such as cyber security, border security, drones and remote sensors to come up at the leaders' meeting. He noted that former New York City Mayor Rudy Giuliani, appointed by Trump to head a committee on cyber security, was just in Israel, where he met with Netanyahu.

“For ‘America First’ you need partners. No one goes it alone, especially in technology,” Medved said. “We have a deep and multifaceted alliance with the U.S., which Trump seems to be a big supporter of.”

Netanyahu has highlighted Israeli's technological expertise in securing its borders after Trump said a wall could help prevent illegal immigration from Mexico. Shares of [Magal Security Systems Ltd.](#)

<https://www.bloomberg.com/quote/MAGS:US> , a major contractor on Israel's West Bank barrier, have gained 65 percent since Trump was elected in November.

“The bottom line is an inhospitable America won't be good for any of this,” Medved said. “But I don't think that's going to happen.”

