

Israel is a tech titan. These 5 charts explain its startup success



Israel's tech companies raised an all-time high of \$4.8 billion of venture capital in 2016.
Image: REUTERS/Ammar Awad

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Formative Content

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What do the following have in common: the USB flash drive, the first Intel PC processor and Google's Suggest function, which automatically completes the search box text.

All three were invented in Israel.

And they are just the tip of the iceberg when it comes to Israel's tech prowess.

Despite being smaller than the US state of New Jersey with fewer people, Israel punches well above its weight on the global tech stage.

[Israel has about 4000 startups](#), and raises venture capital per capita at two-and-a-half times the rate of the US and 30 times that of Europe.

Here are five charts that help to explain Israel's success.

Start-up nation

This infographic reveals some of the reasons that prompted journalists Dan Senor and Saul Singer to write the 2009 bestseller [Start-up Nation: The Story of Israel's Economic Miracle](#).

After the US and China, Israel has most companies listed on the tech-focused NASDAQ stock exchange.



R&D leader

According to OECD figures, [Israel spends more money on research and development](#) as a proportion of its economy than any other country -- 4.25% of GDP against second-placed Korea's 4.23%.

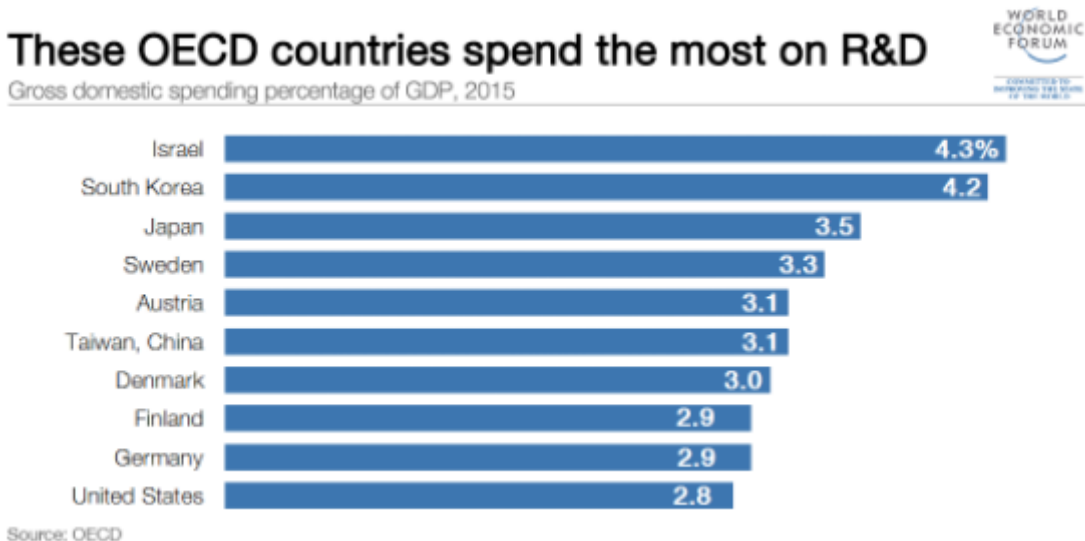


Image: World Economic Forum

Cash boom

Israel's tech companies raised an [all-time record](#) \$4.8 billion in venture capital last year. Software companies were the largest users taking a third of the VC cash in 2016.

VC leader

As this 2010 chart from The Economist shows, Israel has a strong track record of standing head and shoulders above other nations in terms of venture capital raised per head of population.



Image: The Economist

This trend has continued in recent years, with Israel being among the top global performers for overall VC raising in both [2014](#) and [2015](#).

Billion-dollar startups

Between 1999 and 2014, Israelis started [10,185 companies](#), 2.6% with annual revenues of more than \$100 million. Several have become billion-dollar companies, such as traffic app Waze, which was acquired by Google.

This entrepreneurial spirit doesn't end in Israel. As this chart shows, when Israelis head abroad – in this case the US – they are among the most likely immigrant founders of billion-dollar companies.

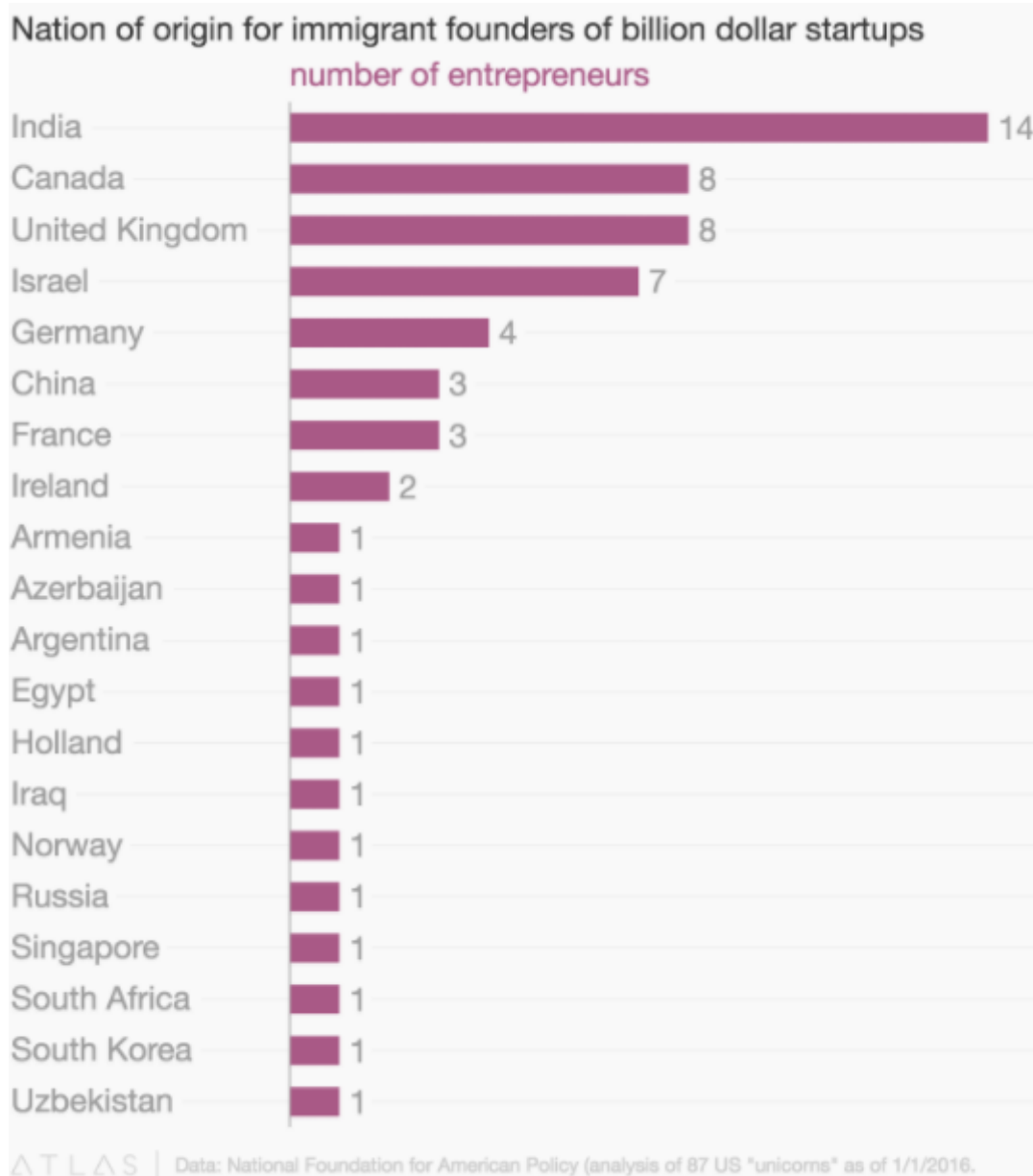


Image: Quartz

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