

# Israel-Germany



Deutsch-Israelische  
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לשכת המסחר והעשייה  
ישראל-גרמניה



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## 60 Years of Innovation Without Borders

How Israeli  
technologies and  
German industry grow  
stronger together



## Driving the Future of Mobility

Israeli innovation and  
German engineering  
redefine Smart  
Transportation



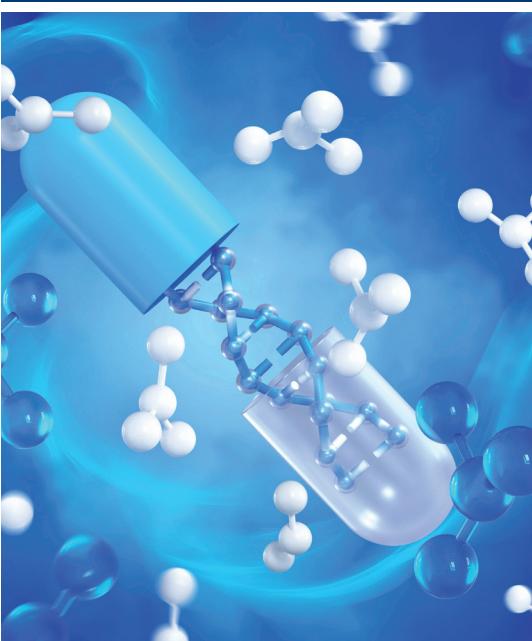
## Where Growth Meets Opportunity

Key sectors in the  
German economy and  
Israeli technologies  
behind them



## Events and Initiatives

Marking 60 years  
of diplomatic  
relations



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## Dear Readers,

In 2025, Israel and Germany marked sixty years since the establishment of diplomatic relations between the two countries, a significant milestone in a relationship that has evolved over decades into a deep economic, industrial, and technological partnership.

What began as a cautious connection between two countries with a historically significant and sensitive past, has, over time, developed into a partnership conducted at eye level between advanced economies, based on trust, shared values, and long-term interests.

The Israel-Germany Business Guide 2025 was created with the aim of presenting an up-to-date, practical, and well-grounded picture of cooperation between the two countries, not only through trade data and policy frameworks, but through the people, companies, technologies, and ecosystem structures that drive this cooperation in practice.

This guide is intended for decision-makers, executives, entrepreneurs and investors seeking to better understand how collaboration between Israel and Germany looks today, and what opportunities are emerging for the decade ahead.

In this edition, we review key trends in the economic relationship between Israel and Germany, alongside areas in which cooperation has significantly deepened, including advanced industry, smart mobility, cybersecurity, and data protection, energy and climate, digital health, agriculture, and water technologies, as well as defense and HLS. Each chapter reflects not only technological innovation, but also models of joint activity, investment, technology scouting, and implementation in the German and wider European markets.

Alongside in-depth reviews and analyses, the guide includes contributions from institutional bodies, trade organizations, embassies and leading companies from both countries. This combination is intended to provide readers with a broad yet practical perspective, connecting policy, industry, and innovation. We thank our partners in Israel and Germany for their cooperation, trust, and professional contribution to this edition, and hope that the guide will serve as a useful working tool, a source of knowledge, and an inspiration for further strengthening economic and technological ties between the two countries in the years ahead.

Wishing you an informative and enjoyable read,

*Inbal Peleg*

**Inbal Peleg**  
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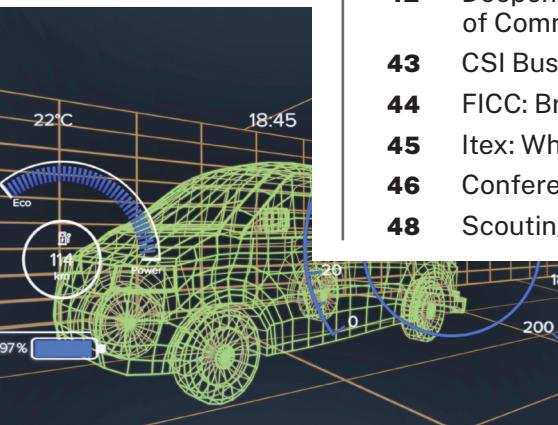
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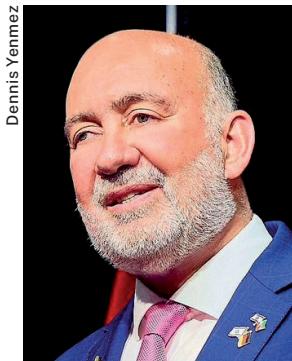
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Ron Prosor

Dear Readers,

# 2025

marked sixty years of diplomatic relations between Israel and Germany. In 1965, when our countries formally established ties, Israel was still a young, developing economy, with a GDP per capita of roughly USD 1,600, compared to Germany's approximately USD 1,800 - reflecting distinct stages of economic development. Six decades later, the picture has fundamentally changed: Israel now has a remarkable GDP per capita of around USD 55,800, comparable to Germany's. This means that the two countries operate at broadly comparable levels of income, and in some years Israel's GDP per capita has even surpassed that of Germany.

What began in the aftermath of the darkest chapter of history has evolved into a strategic partnership conducted at eye level and rooted in shared values, common interests, and mutual responsibility. Economic cooperation that once centered primarily on goods has shifted decisively toward a sophisticated exchange of ideas, technologies, and services. Today, innovation, advanced industries, and services stand alongside commodities as equal pillars of our partnership.

Looking ahead to 2026, our focus is clear: translating innovation into economic resilience. Israel contributes speed, creativity, and breakthrough technologies; Germany contributes scale, industrial depth, and regulatory excellence. Israelis know how to take off and Germans know how to land, together creating sustainable growth. A central pillar of this cooperation is the digital renewal of Germany's Mittelstand, the backbone of the German economy and one of Europe's most influential innovation ecosystems. Comprising the vast majority of German enterprises and a significant share of employment and economic output, the Mittelstand is home to thousands of highly specialized, export-oriented companies. Israeli capabilities in artificial intelligence, cybersecurity, smart

manufacturing, and climate technologies provide practical tools to modernize production and secure operations, while Germany offers industrial scale and direct access to the European market, allowing Israeli innovation to move beyond pilot projects and into full deployment.

This cooperation is already tangible. Israeli technologies are already integrated into the very core of Germany's world-leading automotive industry: Mobileye and Innoviz are embedded in the supply chains of giants as BMW, Volkswagen, and Mercedes-Benz, advancing autonomous driving, safety, and sensor technologies while aligning with European standards.

Another rapidly expanding layer of cooperation is medical technology. Israel's strengths in digital health, AI-driven diagnostics, medical devices, and personalized medicine complement Germany's role as Europe's largest healthcare market. Partnerships with leading German companies such as Siemens Healthineers and a number of German healthcare institutions enable Israeli innovations to be validated, manufactured, and scaled across Europe.

Equally important is investment in people. Expanding youth delegations, professional exchanges, and joint innovation platforms will ensure that six decades of trust translate into lasting economic and strategic impact, for today's markets and for the next generation.

Yours,

**Ron Prosor**  
**Israeli Ambassador to Germany**



Steffen Seibert

### Dear Readers,

**I**t is my pleasure to welcome the publication of the Israel-Germany Business Guide, marking 60 years of diplomatic relations between the Federal Republic of Germany and the State of Israel. Over these past six decades our bilateral relationship has developed into a deep and multifaceted partnership, grounded in mutual trust, shared democratic values, and a strong commitment to cooperation. What began as a courageous step toward reconciliation has grown into a vibrant alliance encompassing politics, culture, science, as well as business and innovation.

Economic cooperation plays a central role in the close ties between Germany and Israel. Germany is Israel's largest trading partner in Europe, while Israel has established itself as one of Germany's most important innovation partners worldwide. Our countries complement each other in a unique way: Germany's industrial strength, engineering excellence, and Mittelstand culture meet Israel's entrepreneurial spirit, technological creativity, and dynamic start-up ecosystem.

In a time of global economic transformation, digitalization and geopolitical uncertainty, the

importance of strong, reliable partnerships cannot be overstated. German-Israeli business cooperation contributes not only to economic growth, but also to resilience, sustainability and innovation in both societies. From artificial intelligence and cybersecurity to climate technologies, life sciences and mobility our joint projects help find solutions for the challenges of tomorrow. Two outstanding examples of this are the German-Israeli Energy Partnership, providing renewable solutions and protection of critical energy infrastructure and the newly founded German-Israeli Digital Dialogue that seeks to advance the digitalization of our societies in close cooperation with companies from both countries.

As the interest in our bilateral business relations is growing this Business Guide provides valuable insights into opportunities, networks and success stories that reflect the depth and potential of our economic relationship. I would like to thank all contributors for their dedication to fostering dialogue and cooperation. It is in our hands to see our partnership grow even stronger, driven by joint values of free enterprise in liberal democratic societies, by openness and innovation.

A handwritten signature in blue ink that reads "Steffen Seibert".

Steffen Seibert

**Ambassador of the Federal Republic  
of Germany to Israel**

Courtesy of AHK Israel



Michel Weinberg



Deutsch-Israelische  
Industrie- und Handelskammer  
לשכת המסחר והעשייה  
ישראל-גרמניה

**Dear friends and colleagues,**

**O**ver the years, Israel and Germany have built a relationship rooted in shared values, mutual respect and a strong commitment to democracy, innovation and economic collaboration. What began as a courageous political step has developed into a deep and dynamic partnership, particularly in the fields of trade, technology, research, and industrial cooperation.

The 60th anniversary of diplomatic relations between Israel and Germany also marks the evolution of the bilateral trade relations and the increase of economic exchange into a strong business cooperation. The business ties between our two countries are a cornerstone of this relationship.

Germany is Israel's most important economic partner in Europe, while Israeli innovation, entrepreneurship, and technological excellence are highly valued by German partners.

In 2024, bilateral trade in goods between Israel and Germany reached over eight billion Dollars. The amount of business delegations in both directions every year are proof for the mutually based interest in joint projects in advanced manufacturing, cybersecurity, life sciences, and sustainability.

As the German-Israeli Chamber of Industry & Commerce (AHK Israel), we are proud to play an active role in facilitating these connections. Our mission is to support companies, encourage bilateral investments, and serve as a bridge between those two complementary economies. Looking ahead, I am confident that the Israel-Germany partnership will continue to deepen and evolve. By combining German industrial strength with Israeli innovation and agility, we can jointly shape solutions for the challenges of tomorrow. Especially in times of global challenges, such as climate change, health care issues and security threats, international partnerships play a crucial role.

I wish all readers of this guide valuable insights and continued success, and look forward to many more years of close and fruitful cooperation between Israel and Germany.

**Yours,**

A handwritten signature in blue ink, appearing to read 'Weinberg'.

**Michel Weinberg**  
CEO  
AHK Israel

# EZMEMS: Advancing Edge Multisensing for Industrial Fluidic Applications

Using a new generation of sensing technologies, EZMEMS enables high-quality data collection across multiple applications

**E**ZMEMS develops edge multisensing technology that enables high quality, real time data collection directly from within fluidic systems. The platform is applied across critical applications such as pharma and biotech processing and industrial water systems, where accuracy, stability, and reliability are essential. It is now being extended with strategic partners to additional fluidic applications. EZMEMS is a pioneering Israeli deep tech company developing polymeric MEMS technology to transform how fluidic processes are monitored, analyzed, and optimized. The company designs integrated multisensing systems embedded directly into application specific components, enabling reliable data capture at the point of measurement and supporting improved process control and data driven decision making.

## Integrated multisensing at the edge

At the core of EZMEMS' activity is its proprietary edge multisensing platform, which integrates multiple sensing functions into a single compact system. Unlike traditional solutions that rely on multiple discrete sensors, EZMEMS' technology enables simultaneous measurement of key parameters such as pressure, flow, temperature, electrical conductivity, pH, turbidity, and dissolved oxygen within one platform.

This approach allows manufacturers to digitize existing systems and components without adding complexity, improving transparency, efficiency, and operational robustness. The result is consistent, high quality data suitable for demanding industrial and regulated environments.

## Applications and industrial partnerships

EZMEMS' technology is designed for performance-critical and regulated applications. In pharma and biotech manufacturing and process development, it enables real time monitoring of fluidic processes, reducing development cycles and costs while supporting a smooth transition to production. In industrial water systems, the platform supports continuous

monitoring and operational optimization.

The platform generates high quality, multi parameter data directly from within the process. This data supports AI-based models for process understanding, early deviation detection, and informed operational decisions.

EZMEMS works with strategic partners in Germany on production, system digitization, and product integration. These collaborations reflect close Israel-Germany cooperation, combining Israeli sensing innovation with German industrial expertise.

## Sustainability and manufacturing advantages

EZMEMS' polymeric MEMS technology offers manufacturing advantages compared to traditional silicon based MEMS, including lower consumption of energy, water, and other resources, resulting in a reduced environmental footprint at the manufacturing stage. Integrated multisensing further improves process efficiency, helping reduce waste as well as overall energy and water usage during operation.



EZMEMS multisensor device for fluidic applications, integrating multiple sensing functions into a single compact unit

Courtesy of EZMEMS

For More Information:  
bd@ezmems.com

**EZMEMS™**  
EDGE MULTI SENSING

# Milestones of a Strategic Partnership

Throughout 2025, a wide range of events and initiatives took place in Germany and Israel to mark 60 years of diplomatic relations. Below are some key highlights



**Scientific alliance.** In September, Ambassador Prosor hosted Weizmann Institute President Prof. Alon Chen and Guest of Honor, Dorothee Bär, Federal Minister of Research, Technology and Space, in Berlin alongside industry leaders. This was Prof. Chen's first international visit since Iranian missiles struck the Institute. It underscored the scientific alliance the countries share, reaffirming Germany's commitment to boundary-breaking research, free from politics



**Deepening business relations.** During the recent visit to Israel of Katharina Reiche, Federal Minister of Economic Affairs and Energy of Germany, several MoUs and Declarations were signed between German and Israeli institutions and companies. The visit focused on resilience, energy and High Tech. The Minister also visited Israel's National Quantum Computing Center (IQCC)

Photothek / Thomas Imo



**Commitment to security.** In December, the first Arrow 3 battery was stationed in Germany, the system's first ever deployment outside Israel. This milestone showcases Israel as a technological powerhouse; by this, Israel is defending not only Germany but the whole of Europe against strategic threats. The event highlights a strategic partnership at eye-level and a shared commitment to the security of democracy



**Israeli innovation.** In December, Israeli newspaper Calcalist held its first "Mind the Tech" conference in Berlin, highlighting the economic potential of Israeli hi-tech for Germany. Ambassador Prosor and Andreas Jahn (BVMW) emphasized that Israeli innovation belongs within the revival of the German "Mittelstand." Ambassador Prosor urged Israeli companies to connect with these medium-sized enterprises rather than focusing solely on industrial giants



**Young leaders as a strategic bridge.** The "160 Delegation" is the Berlin Israeli Embassy's flagship project celebrating 60 years of bilateral relations. The delegation comprised of 10 young leaders from each of the 16 states in the fields of economy, culture, and politics. They traveled to Israel to experience the Israeli story. Gaining this firsthand insight into Israel positions them to serve as a strategic bridge for years to come

Photos: Courtesy of the Israeli Embassy in Germany

# Six Decades of Trust and Economic Partnership between Israel and Germany

Germany has long been one of Israel's most important economic partners. In 2025, as Israel and Germany mark sixty years of diplomatic relations, this partnership reflects not only a shared history but a mature, resilient, and forward-looking economic relationship that has steadily deepened over time.

Germany is Israel's largest trading partner in Europe and among its most significant worldwide. In 2024, bilateral trade between Israel and Germany exceeded USD 9 billion, underscoring the depth and resilience of this economic relationship. Yet the strength of the partnership goes well beyond trade volumes. Today, it is characterized by long-term cooperation. German companies invest in Israel and operate R&D centers, innovation hubs, and scouting offices, while Israeli companies choose Germany as a strategic market for growth, production, and access to the broader European economy. Germany's attractiveness lies in its unique combination of scale, economic depth, regulatory clarity, and purchasing power. As Europe's largest economy and a global economic powerhouse, it offers real demand, sophisticated customers, and the ability to scale solutions across complex value chains. At the same time, Germany is a demanding market. It is decentralized, highly regulated and culturally distinct, and success requires local understanding, patience, and a long-term perspective.

Against this backdrop, the activity of Israel's Economic and Trade Missions in Germany is deliberately focused. Our work focuses on sectors where German demand is distinct and growing, and where Israeli technologies can deliver practical and proven value. These include homeland security and cyber security, healthcare and digital health,

advanced manufacturing and Industry 4.0, mobility and automotive technologies, renewable energy and climate solutions, fintech and food-tech. This focus is driven not by trends, but by concrete needs emerging from German industry, public authorities, and infrastructure operators.

In 2026, the Economic and Trade Missions in Berlin and Munich are expected to reach a record level of activity, with more than 100 planned engagements involving Israeli companies across Germany. These activities will include targeted business delegations, B2B meetings with corporates and Mittelstand companies, cooperation with regional clusters and government stakeholders, and a strong presence at leading trade fairs. The emphasis is not only on volume, but on relevance, depth, and sustainable follow-up.

The Economic and Trade Missions operate year-round as a one-stop shop for Israeli companies seeking to enter or expand in the German market, as well as for German companies interested in partnerships and investments in Israel. A central strength of our work lies in our local trade officers, professionals based in Germany, who are deeply familiar with the market and closely connected to regional ecosystems, industries, and decision-makers.

Business in Germany is built on trust, reliability, and continuity. When partnerships succeed, they tend to be long-lasting and impactful. The combination of German economic strength and Israeli innovation continues to create meaningful opportunities, not as a short-term exercise, but as a strategic collaboration between two close partners.

We look forward to continuing this work together with companies, institutions, and partners in both countries.



Yaniv Tessel,  
Head of Economic  
and Trade Mission,  
Berlin



Asaf Argov,  
Head of the Israeli  
Economic and Trade  
Mission to South  
Germany and Sweden

Photos: Courtesy of  
Foreign Trade Administration,  
the ministry of economy

# Driving Israeli Mobility Tech to German Success

Konnect, Volkswagen Group Innovation Hub TLV, cultivates Israeli start up technologies and opens doors for them

Israel's technological excellence shines brightest in the automotive sector: of the 7,000 active startups operating in Israel, approximately 700 companies comprise a dedicated auto-tech ecosystem. It comes as no surprise then, that leading global corporations are drawn to seek innovation in the Start Up Nation. This was precisely the case with Volkswagen Group **Konnect** and its intensive operations in Tel Aviv.

Konnect, the Volkswagen Group Innovation Hub in Israel, was established in 2018. Its mission is to scout and evaluate Israeli automotive and mobility technologies with the goal of integrating them into the Group's vehicles and manufacturing facilities.

"We're here to identify and promote promising new technologies across various auto-tech fields, based on the specific needs and use cases of the Group's 10 brands, including Audi, Škoda, Seat, and others", explains Hemdat Sagi, Konnect's Managing Director. "These needs include mobility, autonomous driving, connectivity, AI, sensors, and even sustainability and climate solutions. Given Israel's rich background in software, computer vision, AI and semiconductor development, the local ecosystem can address these needs in numerous ways."

Sagi is also a co-founder of Konnect, which operates as a nine-person team. In addition to her 15 years of experience in senior strategic and biz-dev roles, she served from 2012 to 2016 as Commercial Attaché and Head of the Economic Department at the Israeli Embassy in Berlin. Konnect was established based on a recognized need – to identify and integrate innovations that were created externally. "This stemmed from the understanding that not everything can be developed in-house," explains Sagi. "Indeed, after we launched our hub, other automotive companies were pursuing the same approach."



Hemdat Sagi

Photo: Eliad Maka

**How quickly can you react to changes in the Auto-tech market?**

**Sagi:** "We operate as an independent Israeli organization, hence we can act very quickly. This is most evident in the initial phase: instead of a long and slow corporate processes, we evaluate a startup technology much faster; our technology validation can be completed within three months. We use our own budget resources to fund projects rather than wait for long corporate internal approvals. We've learned how to be agile, proactive, and fast, just like a startup."

Konnect functions as a testing and validation hub for mobility technologies. The team executes dozens of projects and proofs of concept per year with Israeli and global startups on their path to global, long-term collaborations (see box). "It's a long-term journey – and we initiate and steer the projects while keeping them compatible with industry standards," explains Sagi.

**Do you take equity in the companies you choose to work with?**

"We do not. We are not an investor but a potential customer. It's more challenging for the startups but increases their validation and ability to raise funds, and many startups actively seek to partner with us."

**What do you look for in a startup?**

"We search for genuine market need: does our Group actually need this solution? If there's isn't, we help to re-adjust it or skip it altogether. We have the Konnect

Innocar, an Audi Q4 e-tron testing vehicle, which we use to test the startup applications in the car.

"Seed stage startups are too early for us; we require an MVP – a minimal viable product, that can be tested in our vehicle immediately. We're looking for Technology Readiness Level (TRL) 4 or 5. However, we're still eager to meet younger startups as well."

Alongside Konnect's activities, Volkswagen Group established





Photo by: Sophie Kerchnawe, VW Group

From right to left:  
David Order, Noa Yang, Daria Vexler, Benny Prujan,  
Hemdat Sagi, Maayan Ekstein, Clara Guiga

Leitmotif, a \$300M investment fund, pursuing decarbonization and sustainability investments. Leitmotif has already invested in over a dozen startups worldwide, including companies focused on decarbonization, nuclear fusion, circular economy and battery development.

Other Volkswagen Group subsidiaries and brands are also actively seeking opportunities in Israel. One of them is Scania, whose VC fund invests in early stage energy and sustainability startups (see box). When the fund's representative arrived in Israel to evaluate companies, Sagi's team introduced her to various startups, which resulted in Scania investing in 3 local startups. "We facilitate such partnerships all the time," says Sagi, "when we run a project or meet an exciting startup, I update other relevant brands within the Group so they can monitor the opportunity. If one startup works with Audi, there should not be a reason why they cannot work with Porsche or Bentley and so on. This creates a transparent and collaborative innovation culture."

Konnect also accepted and hosted already over 20 German volunteers – students who come to Israel to experience high-tech work.

They are referred through "New Kibbutz", an internship program operated by the German-Israeli Chamber of Commerce.

All in all, the close technological and business collaborations facilitated by Konnect make a substantial contribution to strengthening bilateral relations between Germany and Israel.

## Gearing Up with Konnect

Konnect projects that evolved into business implementation:

### Deployment of Solar Films for VW California

**A Konnect facilitated project:** Apollo Power will supply Volkswagen Commercial Vehicles with tens of thousands of solar sheets in a €33 million agreement. The solar films will be deployed in after-market accessories provided for the Volkswagen California Camper.

### Autonomous Ride-Pooling and Robotaxi Services with ID.

**Buzz AD:** A Konnect project manager supports Volkswagen Autonomous Mobility & Transport (ADMT), together with Mobileye and MOIA, in the development of Level 4 autonomous ride-pooling and robotaxi services using the fully electric ID. Buzz AD. The project integrates Mobileye's Drive™ system to enable safe autonomous operations. Several pilot programs are currently running across Europe and the U.S.

### Recycled Textiles Integration in a Golf trunk

**Led by Konnect:** Re-fresh Global developed demonstrator trunk components for a Volkswagen Group vehicle using recycled textile waste. Together with a Tier-1 supplier, the recycling process and final product are evaluated for automotive use.

### Strategic Investment in Battery Technology start up by Scania

**A Konnect facilitated project:** Addionics, a pioneer in 3D copper foils for electric vehicle batteries, has raised \$39 million in funding. Among the investors is Scania, one of the Volkswagen Group brands.

### AI-Based Visual Inspection for Panoramic Roof Assembly at Bentley Motors

**A Konnect facilitated project:** Bentley Motors integrated an automated vision inspection system developed by Inspektō (now Siemens) on its Crewe assembly line to ensure sealant path quality in panoramic roof cell production. The system is currently operational and is being used by Bentley staff in the factory.

### Konnect: an ID

Innovation hub of the Volkswagen Group in Tel Aviv. The team is scouting, evaluating, and integrating pioneering mobility technologies into the Volkswagen Group cars and factories

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# Israel and Germany: Strategic Trade Partners at the Center of Europe's Industrial and Innovation Landscape

Israel and Germany maintain one of the most stable, diverse, and strategically significant trade relationships in Europe. The partnership is built on advanced industries, complementary strengths, and growing cooperation in technology, innovation, and industrial ecosystems.

For more than six decades, Israel and Germany have cultivated one of the most stable, diverse, and strategically significant economic relationships in Europe. Today, the partnership extends across advanced industries, high-tech, manufacturing, clean energy, defense, healthcare innovation, and academic collaboration. As both economies undergo rapid transformation, the potential for deeper commercial ties is stronger than ever. Germany is Israel's leading trade partner within the European Union, and one of its most important partners globally. Israel, in turn, offers Germany world-class innovation, agility, and technological capabilities that complement the strengths of German industry. The combination of German engineering and Israeli innovation has become a powerful engine for joint economic activity.

## Comparative indicators between the countries | 2024

Although Israel and Germany differ significantly in size and scale, their economies share structural strengths that support cooperation in technology, industrial development, and innovation.

Indicator	Israel	Germany
Area	22,000 sq km	357,000 sq km
Population	9.9 million	84.3 million
Share of global GDP	approx. 0.3%	approx. 4.2%
GDP per capita	53,000 USD	48,600 USD
GDP growth forecast 2025	3–3.3%	0.8–1.2%
Workforce	4.4 million	approx. 45 million
English proficiency	approx. 85%	approx. 56%
Debt to GDP ratio	approx. 60%	approx. 63%

While Israel represents a smaller economy with a strong high tech orientation, Germany is the economic powerhouse of Europe and a global leader in industrial production. Together, they form a strong foundation for long-term trade and business cooperation.



## Economic environment

Germany, the world's fourth largest economy, is entering a period of structural transition. Rising energy costs, global competition, an aging population and the need for digitization have placed pressure on traditional industries. However, these challenges are also driving unprecedented investment in innovation, sustainability, infrastructure, and technological modernization.

## Key economic developments shaping Germany in 2024–2025

Germany continues to lead Europe in manufacturing, automotive engineering, scientific research and industrial automation. Despite a period of slower growth between 2023 and 2024, the medium-term outlook is stable, supported by government investment programs and a renewed focus on competitiveness.

## Major shifts influencing the economic landscape include:

- A rapid transition toward renewable energy and diversified energy sources
- A shortage of hundreds of thousands of skilled workers, increasing demand for automation, AI, and HR technology
- A multi-year national investment plan in transport, energy infrastructure, digital transformation, and housing
- Accelerated adoption of Industry 4.0 technologies across factories and logistics centers
- Growing collaboration with global innovation hubs, including Israel

Germany's political system provides regulatory certainty and long-term stability. Its role as Europe's industrial and

technological anchor ensures high relevance for Israeli companies seeking access to the EU market. SWOT Analysis of Germany's Economic Trends for the Coming Years

### Strengths

Germany's economy remains one of the strongest and most resilient in the world. Its core advantages include:

- A highly advanced industrial base and leadership in machinery, automotive, automation, and chemicals
- A strong scientific and research ecosystem with internationally recognized universities and institutes
- High productivity and world-class engineering talent
- A stable political environment and predictable regulatory system
- Central positioning within the European single market and access to 450 million consumers

### Weaknesses

Some structural challenges have become more pronounced in recent years:

- A rapidly aging population and an insufficient pipeline of skilled workers
- High dependence on imported energy and raw materials
- Slow administrative processes and heavy regulation that can delay innovation
- Increased production costs affecting traditional manufacturing sectors

&gt;

## Threats

Germany faces several external pressures that may influence economic performance:

- Strong competition from China in electric vehicles, semiconductors, and clean tech
- Uncertainty surrounding Europe's energy security
- Supply chain disruptions caused by geopolitical tensions
- Political polarization in parts of Europe that may affect EU decision-making

## Opportunities

Despite challenges, Germany is positioning itself for long-term transformation. New opportunities for cooperation include:

- Massive investment in green energy, hydrogen technologies, battery storage, and grid modernization
- The growing need for cybersecurity and AI solutions to protect critical infrastructure
- Digitization of healthcare, administration, and public services
- Demand for agricultural technologies that improve efficiency and sustainability
- Expansion of smart transportation, autonomous systems, and advanced mobility solutions

These opportunities align directly with Israel's strengths in artificial intelligence, cyber defense, clean tech, water solutions, medical technology, and advanced sensors.



## Israel–Germany Trade and Business Relations

Israel and Germany have built a mature and multifaceted economic partnership. Over the past decade, bilateral trade has remained consistently strong, reflecting the alignment between German industrial demand and Israeli technological capabilities.

### Trade figures for 2024–2025



Germany is Israel's top trading partner in Europe and a critical gateway to the broader EU market. In return, Israel offers German companies access to one of the world's most dynamic innovation ecosystems.



## Structure of bilateral trade

The majority of trade between the countries consists of industrial products and high-value technologies. Israeli exports focus on medical devices, optics, electronics, chemical materials, life science equipment, cybersecurity, and specialized machinery. German exports to Israel include industrial machinery, vehicles, pharmaceutical

products, electronics, and advanced medical technologies. The technological compatibility between Israeli capabilities and German needs has deepened cooperation, especially in fields requiring sophisticated engineering, real-time data analysis and advanced automation.

Top Ten Export Sectors from Israel to Germany	Top Ten Import Sectors from Germany to Israel
1. Electronic and electrical equipment, including semiconductors, sensors, and communications components	Industrial machinery including CNC systems, robotics, automation platforms, and production lines
2. Optical, medical, and scientific instruments used in diagnostics, imaging, and precision manufacturing	Automobiles and automotive components
3. Chemicals and pharmaceutical ingredients	Electronic and electromechanical equipment
4. Industrial plastics and raw materials	Pharmaceuticals, medical supplies, and biotechnology products
5. Machinery, mechanical parts, and industrial components	Scientific measurement and testing instruments
6. Aerospace, defense technologies, and related systems	Industrial chemicals and manufacturing inputs
7. Software and IT services, particularly in cybersecurity, data analytics, and enterprise solutions	Energy infrastructure equipment and environmental systems
8. Laboratory equipment and life science tools	Medical devices and diagnostic technologies
9. Industrial sensors, AI-based predictive maintenance tools, and Industry 4.0 technologies	Metals, steel products, and raw materials
10. Communications equipment and networking solutions	Environmental monitoring and control technologies



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## Collaboration opportunities for Israeli companies

As Germany undergoes rapid modernization, appetite for innovative solutions is growing. Israeli companies can play a critical role in enhancing industrial productivity, securing networks and infrastructure, supporting the energy transition, and digitizing complex systems.



## Clean tech, energy, and infrastructure

Germany's long-term transition to renewable energy creates significant demand for water technologies, grid management systems, cyber protection of utilities, energy efficiency tools, environmental monitoring, and digital solutions for infrastructure planning.

## Smart industry and Industry 4.0

Factories across Germany are introducing automation, robotics, AI-driven analytics, and smart logistics. Israeli startups and tech companies specializing in machine learning, predictive maintenance, manufacturing sensors, and optimization tools can find strong partners.

## Cybersecurity and protection of critical infrastructure

Germany faces increasing cyber risks to health systems, transportation, energy networks, and public administration. Israeli companies are globally recognized leaders in cyber defense, operational technology security, and identity management.



## Digital health and medical technology

Germany is significantly behind in healthcare digitization, opening opportunities for telemedicine platforms, AI-assisted diagnostics, advanced imaging technologies, clinical workflow systems, and hospital data management.

## Smart mobility and automotive innovation

The shift to electric, connected, and autonomous vehicles aligns closely with Israeli expertise in sensors, safety algorithms, mapping technology, and fleet analytics.

## Agriculture, water, and climate technology

Climate pressures and changing weather patterns increase demand for precision agriculture, irrigation technologies, fertilizer innovations, water recycling, and environmental monitoring. Israeli solutions match these needs with proven field performance.

## Conclusion

The economic partnership between Israel and Germany is built on shared interests, complementary strengths, and a long history of collaboration. As global industries evolve, the synergies between the two countries are becoming even more relevant. Germany provides a large and advanced marketplace with stable institutions and a strong industrial infrastructure. Israel brings fast-paced innovation, deep technological expertise, and creative problem-solving.

Together, the two economies are positioned to expand cooperation in some of the most important sectors of the coming decade: energy transition, artificial intelligence, cybersecurity, digital health, Industry 4.0, clean tech, water management, and future mobility.

With global competition intensifying and technological transformation accelerating, the strategic value of the Israel-Germany partnership continues to grow.



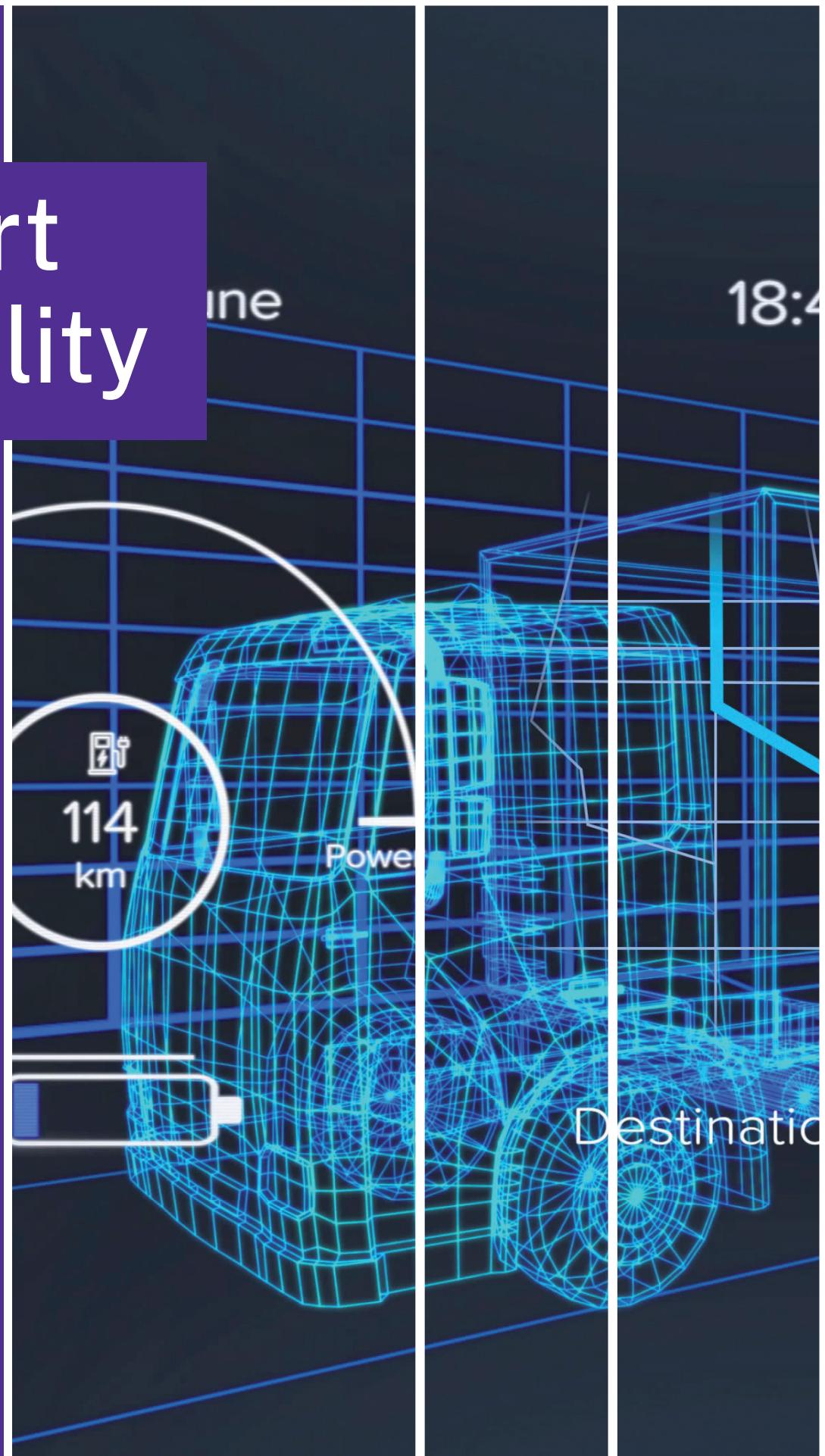
# Go further with Israeli technologies!

At Paprika and Isra-Tech.net, we connect German companies and organizations with Israel's innovation ecosystem.

We provide focused technology scouting services to identify relevant technologies, strategic partners, and investment opportunities - tailored to your specific business needs.

From initial profiling and identifying the right companies, to facilitating high-quality connections and supporting deals through to completion, we are with you every step of the way.

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The logo consists of the number '25' in a stylized, blocky font where the '2' and '5' are interconnected. To the right of the '25', the word 'YEARS' is written in a large, bold, white sans-serif font.

# Israeli Innovation as a Strategic Complement to Germany's Automotive Transformation

As Germany's automotive industry shifts toward software-driven, connected and intelligent mobility, Israeli technologies are emerging as natural partners in accelerating next-generation transportation

**G**ermany's automotive industry is standing at a historic turning point. After more than a century defined by mechanical excellence, precision engineering, and world-leading manufacturing, the foundations of the industry are undergoing a profound transformation. European climate and safety regulations are reshaping product development, global competition is intensifying, and the driving experience is increasingly defined by software, connectivity, artificial intelligence, and advanced safety features.

Despite these rapid changes, the automotive sector remains a pillar of German economy – yet it is clear that the traditional capabilities that shaped its success are no longer sufficient on their own. To remain competitive, manufacturers and suppliers must adopt new technologies at a pace that exceeds their internal capacity. This is precisely where Israeli innovation becomes relevant.

Even though Israel is not a car-producing country, it has become a significant global source of technological expertise in areas that now stand at the center of smart mobility. These include computer vision, advanced sensing, artificial intelligence, data management, cybersecurity, and digital platforms for vehicles and public transport systems. German manufacturers, Tier-1 suppliers, and mobility operators increasingly identify these capabilities as complementary assets that can help them meet new technological and regulatory challenges.



## A time of structural change for the European automotive sector

Strategic documents published in recent years by major German OEMs show a clear shift toward a software-centric future. The emerging model, described as the Software Defined Vehicle, turns the car into a dynamic, upgradeable digital platform. Functions that were once mechanical are now software-based, and the competitive edge is defined by the ability to deliver advanced features via continuous updates.

To implement this model at an industrial scale, manufacturers require capabilities that extend far beyond their traditional engineering disciplines. At the same time, European regulations impose new obligations. Updated General Safety Regulation standards require the integration of advanced driver assistance systems. Cybersecurity regulations defined by UNECE demand comprehensive risk management, both at the vehicle level and across the supply chain. These shifts create a need for mature, reliable technological solutions that can be integrated rapidly and in compliance with stringent safety standards.

## Israeli expertise in AI, sensing, and computer vision

One of the most significant forces shaping the future of mobility in Germany is the advancement of ADAS and AI-based perception systems. Israel has developed an innovation ecosystem specializing in these domains, combining academic excellence, algorithmic engineering,



and hands-on application in global markets.

High-precision sensors, including LiDAR and RADAR, together with advanced computer vision algorithms, have become essential components of modern vehicles. Israeli companies in this field have established global benchmarks. For German manufacturers, integrating these technologies supports compliance with safety standards and the introduction of new driver-assistance capabilities within short development cycles.

Beyond perception, Israel offers advanced data-processing tools that interpret complex sensor inputs and generate real-time insights. These tools improve driving safety and stability but also serve as a foundation for predictive maintenance, driver-monitoring solutions and new digital services. As manufacturers move toward software-driven architectures, the ability to manage and utilize vehicle data becomes a central component of their competitive strategy.

### **Cybersecurity as a foundational layer**

Cybersecurity is not only a technological concern; it has become a regulatory requirement in Europe. UNECE's cybersecurity framework mandates that every new vehicle sold in EU markets comply with rigorous risk-management and protection standards. Israel has a distinct advantage in this field thanks to decades of experience in developing advanced security systems in both the civilian and defense sectors.

Israeli companies provide solutions for intrusion detection, secure communication, continuous monitoring, and vulnerability assessment. Many of these companies already collaborate with German OEMs and Tier-1 suppliers, supporting certification processes and facilitating the transition to software-rich vehicle architectures. These partnerships help German manufacturers meet regulatory deadlines while maintaining high reliability and security standards.

### **Urban mobility and public transport modernization**

Alongside private vehicles, German cities are investing heavily in modernizing public transport systems. Real-time data integration, operational optimization, and demand forecasting are becoming essential for efficient network management. Israeli companies, which have already implemented similar solutions in large metropolitan areas, offer technologies that support fleet management, traffic

prediction, and multimodal mobility integration. Such systems help municipalities improve service quality, reduce congestion, and enhance the resilience of their public transport infrastructure. As German cities respond to demographic change, sustainability goals, and evolving travel patterns, such data-driven platforms are gaining strategic importance.

### **Closing capability gaps**

Despite its industrial strength, the German automotive sector faces capability gaps arising from rapid technological evolution. Manufacturers and suppliers are seeking mature solutions in software, artificial intelligence, sensing, and cybersecurity. Israel offers technologies that have already been validated through pilots and commercial deployments in international markets. Their integration into German development processes enables shorter time-to-market and provides a competitive edge in areas where traditional engineering is no longer sufficient.

The value of Israeli partnerships lies not only in the technologies themselves but also in the development culture behind them. Flexibility, rapid prototyping, and a problem-solving mindset allow Israeli companies to support German partners in stages of development that require agility and fast iteration. Many German stakeholders note that this dynamic complements the structured strengths of their own engineering processes.

### **A shared opportunity for long-term cooperation**

The coming decade will define the future of European mobility. Electrification, digitalization, connectivity, and artificial intelligence will determine the competitive landscape of the global automotive industry. Germany enters this transition with an unparalleled industrial foundation. Israel contributes complementary innovation that strengthens the technological and regulatory readiness required for next-generation mobility.

For the German industry, cooperation with Israel provides access to advanced technologies, supports compliance with new standards, and accelerates the introduction of innovative features. For Israel, partnerships in Germany open doors to stable and highly structured markets and create long-term opportunities to integrate into a leading global industry.

As the transition toward intelligent mobility continues, the combination of German engineering and Israeli innovation offers a compelling foundation for collaborative progress. Together, these strengths can support the development of safer, smarter, and more efficient transportation solutions for Europe and beyond.

# 25 Years of Synergy: Siemens Israel and Siemens Germany Cultivate a Leading Global Business Ecosystem

A quarter-century of collaboration between Siemens Israel and Siemens Germany that drives industrial innovation, digital transformation, and global growth | **Anat Messing**

For 25 years, a strong and fruitful synergy has existed between Siemens Israel and the company's headquarters in Germany, the American branch, and additional branches around the world. This bond drives the company forward and enables it to maintain its position as a global leader in industry, infrastructure, transportation, and software.

Siemens was founded in 1847 by inventor Ernst Werner von Siemens, who developed a needle for the telegraph that enabled information to be received as letters rather than Morse code. One of Werner's most significant achievements in his lifetime was the laying of a telegraph cable network from India to Europe, an impressive achievement by all accounts. The company has come a long way since, and today it employs approximately 300,000 people operating in around 190 countries and repeatedly pushing the boundaries of technology.

Siemens' activity in Israel began in 1924 as a sales office framework. Siemens Israel was established as an independent company in 2000 and today numbers more than 800 employees in Israel. "The company touches all worlds," says Zahi Golan, CEO of Siemens Israel, "industry, infrastructure such as electricity and water, transportation with an emphasis on railways, medical equipment, and more". Siemens Israel has a prominent industrial software development and product lifecycle management (PLM)



Zahi Golan

Yariv Elisha, Q Elite Beauty



Zvi Feuer

division. This division is based on the veteran company Tecnomatix, which was acquired in 2005 by the American company UGS, and in 2007 by Siemens, and is managed by Zvi Feuer, SVP and General Manager Digital Manufacturing (DM), CEO of Siemens Digital Industries Software Israel. "We have more than 400 employees in Israel and about 2,000 worldwide," he says.

## We built an Israeli-German ecosystem

Siemens is a tangible example of the warm business relationship between Germany and Israel, and within this framework, the company maintains ongoing relations with the German Embassy and the Israel-Germany Chamber of Commerce.

## How does the successful cooperation between you and the headquarters in Germany manifest?

"Over the years, we have built an Israeli-German ecosystem with mutual benefit for both countries that provides support to industry worldwide. For example, we developed a series of solutions in the field of digitalization of manufacturing systems and implemented them in German industry, as part of a program to improve the company's competitiveness vis-à-vis China".

"The headquarters in Germany opens doors for us. We enjoy a vast range of proven technological capabilities, experience in developing solutions for a wide range of verticals, and connections to many customers worldwide. In return, the global company benefits from a connection to the local ecosystem, including exposure to Israeli startups and access to the most advanced technological innovation in the world," adds Golan. "The local ecosystem has a unique character in terms of cooperation between the business, governmental, and academic sectors, and the



**Siemens Mobility.**  
Innovative rail solutions combining data collection, analytics and operational optimization

### Humanoids on the production floor

Siemens Digital Industries Software offers an enormous range of capabilities, leading the company's Industry 4.0 revolution worldwide. "We develop software and carry out digitalization of manufacturing systems, including robotics, machining, planning of complex assembly processes, and overall improvement of manufacturing systems," says Feuer. "In practice, we develop and sell technologies that help manufacturers in 13 industries, including automotive, aviation, defense, medical, and more. We help them become more efficient, improve outputs,

reduce inventories, and ultimately boost their competitive edge. During COVID, for example, we cooperated with a Pfizer subsidiary in Germany and developed an agile solution for the production of vaccine ampoules on a massive scale".

### In what way is your innovation expressed?

"We are number one in the world in the field of industrial robotics, including optimization of multiple robots working in parallel. But perhaps one of our most innovative developments is humanoids – robots with a human appearance destined to operate on the production floor and integrate into a variety of logistics and manufacturing roles alongside the human team," Feuer boasts, adding that Siemens' factories worldwide also benefit from the advanced capabilities of Siemens Digital Industries Software.

Recently, Chancellor Friedrich Merz visited Israel and renewed the strong commitment and friendship between the two countries. This also translates into business. "We will continue to lead the digital transformation of global and local industry and create many additional fruitful partnerships and connections," promises Feuer, and Golan joins in: "We will continue to combine the phenomenal planning and execution capabilities of the headquarters in Germany with the creativity and innovation produced by the Israeli ecosystem. We have seen that this combination works excellently and gives rise to international success, so in Siemens' case, 1+1 equals at least 3".

headquarters in Germany knows how to appreciate this and benefit from the advantages that such a model yields".

### Who are Siemens' customers in Israel?

"The Israel Electric Company and Noga are good examples," notes Golan. "The companies purchase equipment and software from Siemens for infrastructure operation, systems for managing faults, and even systems for managing the tendering process with private manufacturers".

### Tesla on rails

As part of Israel Railways' transportation revolution, Siemens supplies it with electric trains, among the most advanced in the world. "In addition, we implemented innovative information and analytics systems based on sensors, which help Israel Railways provide excellent service to passengers, and for us, as those who maintain the trains, a means to maintain high train availability. All of this is made possible, among other things, through predictive maintenance and significant improvement in inventory management and supply chains. And now we are looking ahead to the metro project," Golan notes proudly.

One of Siemens' flagship projects in Israel in recent years is an environmentally friendly train depot. "We built a 9,000 square meters depot for train maintenance. We conduct maintenance optimization processes there, collect data, analyze it, and formulate future forecasts. These advanced systems have improved our efficiency by more than 20%," he adds.

**For More Information:**  
[Siemens.il@siemens.com](mailto:Siemens.il@siemens.com)

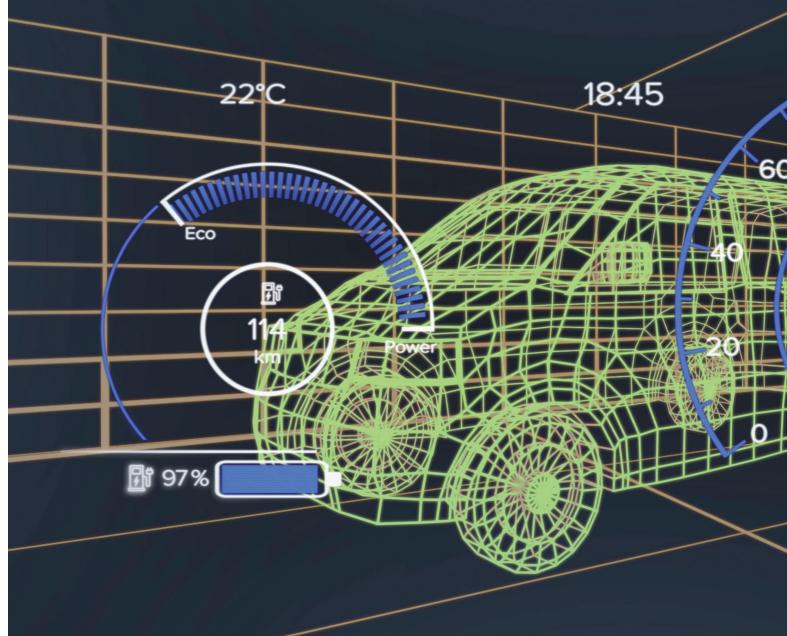
**SIEMENS**

# Deals in Motion

From technology scouting to strategic integration across the automotive value chain

**C**ooperation between Israel and Germany in smart mobility has increasingly focused on three complementary channels: acquisitions, long-term commercial partnerships and structured technology scouting. German automotive groups and Tier-1 suppliers no longer engage with Israeli companies solely through pilots, but integrate selected technologies directly into core development and production processes.

A clear example is the acquisition of Argus Cyber Security by Continental, which reflected a strategic move to internalize Israeli automotive cybersecurity capabilities. In parallel, long-term supply agreements,



such as the collaboration between Innoviz Technologies and Volkswagen Group via its software unit CARIAD, demonstrate growing confidence in Israeli technologies as foundational components in next-generation vehicle platforms.

## Institutionalized technology scouting

Technology scouting has become an institutionalized activity. German manufacturers and suppliers maintain innovation hubs, technology offices and R&D teams in Israel to identify

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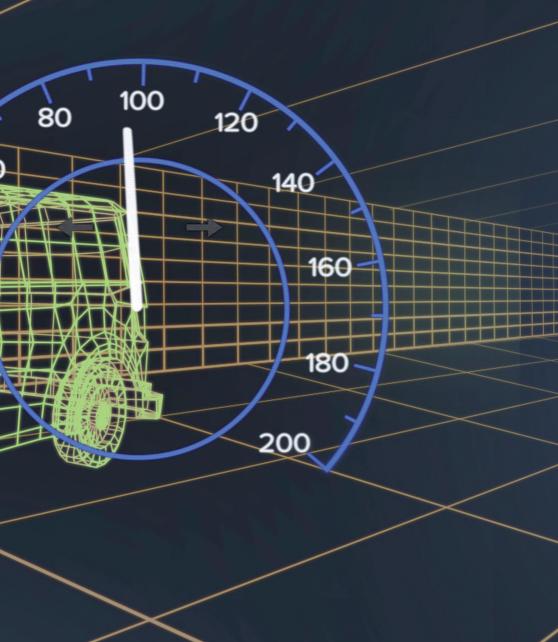
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solutions in sensors, software-defined vehicles, artificial intelligence, cybersecurity, and vehicle connectivity. These local structures enable early access to applied technologies and often serve as a gateway to deeper partnerships, commercial agreements or acquisitions. For Israeli companies, integration into German-led automotive platforms provides industrial validation,

scale, and access to global supply chains. For German companies, Israel offers speed, specialization and focused engineering capabilities that complement Germany's strengths in industrialization and system integration. Together, these dynamics reflect a mature and pragmatic cooperation model that is expected to deepen as the automotive industry continues its transformation.

### Selected smart mobility and automotive deals

Selected deals from 2017 to 2023

Israeli company	German company	Type of engagement	Technology focus
Argus Cyber Security	Continental	Acquisition	Automotive cybersecurity
Innoviz Technologies	Volkswagen Group / CARIAD	Strategic supply agreement	LiDAR, ADAS
Mobileye	Volkswagen Group	Strategic partnership	Autonomous driving
Tactile Mobility	BMW Group	Technology collaboration	Vehicle dynamics, AI
StoreDot	Mercedes-Benz	Investment and cooperation	EV batteries
Valens Semiconductor	BMW Group, Mercedes-Benz	Commercial cooperation	In-vehicle connectivity
Arbe Robotics	Continental, Bosch	Technology cooperation	Advanced radar
REE Automotive	ZF, Hella	Development partnerships	Modular vehicle platforms
Nauto	BMW Group	Pilot projects	Driver safety, AI

### German automotive companies with technology activity in Israel

German company	Type of presence in Israel	Focus areas
Volkswagen Group	Innovation hub (Konnect)	Smart mobility, SDV, technology scouting
Mercedes-Benz	R&D center	Digital vehicle systems, connectivity, cybersecurity
BMW Group	Technology office	AI, sensors, mobility technologies
Continental	R&D and partnerships	Automotive systems, cybersecurity
Bosch	R&D and innovation activity	Sensors, software, mobility solutions
ZF Group	Development cooperation	Powertrain and safety systems
Hella	Technology partnerships	Automotive electronics and lighting

# Business Opportunities





# Israeli Innovation as a Strategic Partner for Germany's Evolving Economy

An overview of key sectors in the German economy and the ways Israeli technology and expertise can support industrial transformation, resilience, and long-term growth

Germany's economy is undergoing a period of structural transformation. Digitalization, regulatory change, sustainability targets, and geopolitical shifts are reshaping priorities across industry, infrastructure, and public services. For German companies and institutions, maintaining competitiveness increasingly depends on the ability to adopt advanced technologies while preserving reliability, compliance, and long-term stability.

Israel has emerged as a complementary innovation partner in this process. While Israel does not compete with Germany as a manufacturing powerhouse, it offers deep technological capabilities in areas such as industrial software, cybersecurity, artificial intelligence, climate technologies, water management, life sciences, and advanced semiconductors. These capabilities address concrete challenges faced by

German organizations as they modernize operations and adapt to new market and regulatory conditions. The Israeli innovation ecosystem is characterized by practical, application-driven technologies that have been tested in demanding environments. Israeli companies tend to focus on solving specific operational problems, accelerating implementation cycles, and integrating digital solutions into complex legacy systems. This approach aligns well with Germany's need to upgrade existing infrastructures and industrial processes without disrupting continuity.

The following sector reviews highlight key areas of the German economy and outline how Israeli technologies and expertise can complement local strengths. Together, they illustrate the potential for pragmatic cooperation that supports efficiency, resilience, and sustainable growth across a wide range of industries.





## Industry 4.0 – Smart Manufacturing and Digital Transformation

### How Germany's manufacturing sector is accelerating digital transformation, and how Israeli solutions complement the transition toward smarter, more efficient, and resilient factories

Over the past decade, smart manufacturing has moved from concept to strategic priority across advanced industrial economies. Germany is widely recognized as one of the world's leading manufacturing economies, with a strong industrial base spanning automotive, machinery, chemicals, advanced materials, and heavy industry. Industry 4.0 has become a central pillar of German industrial strategy, aiming to integrate digital technologies, automation, and advanced data analytics into production environments. Despite substantial investments, the full implementation of smart manufacturing remains a challenge for many companies.

One of the key obstacles lies in integrating legacy production systems with new digital layers. German factories are known for their precision engineering and operational efficiency, yet many still struggle with fragmented data environments, limited real-time visibility, and insufficient predictive capabilities. As global competition intensifies and cost pressures increase, manufacturers are seeking solutions that enable operational upgrades without disrupting existing production stability. This is where the Israeli innovation ecosystem offers complementary value. Israeli companies have developed advanced technologies in areas such as industrial AI, predictive maintenance, machine vision, digital twins, and real-time analytics. Many of these solutions are designed to operate in heterogeneous environments and to be deployed incrementally, making them well-suited to the structure of German industrial facilities. Israeli technology providers typically focus on practical, fast-to-deploy



solutions that address specific industrial challenges, including reducing downtime, improving quality control, optimizing energy consumption, and increasing productivity. For German manufacturers, collaboration with Israeli companies enables rapid experimentation, shorter implementation cycles, and access to deep expertise in data-driven optimization.

As Industry 4.0 moves from strategic vision to operational reality, partnerships between German industry and Israeli technology firms are becoming an essential enabler of digital transformation, combining German engineering excellence with agile technological innovation.

## Cybersecurity – Protecting Critical Infrastructure and Digital Industry

With digital systems becoming deeply embedded in physical infrastructure, cybersecurity has evolved into a core requirement for economic stability and trust.

Germany's digital transformation has significantly expanded the attack surface across its economy. Industrial systems, energy networks, transportation infrastructure, healthcare services, and public-sector platforms are increasingly connected and data-driven, while simultaneously exposed to more complex cyber threats. New European regulations, most notably NIS2, impose stricter requirements for risk management, preparedness, and incident response.

### As digitalization expands across industry and infrastructure, Israeli cybersecurity technologies support Germany in strengthening resilience, regulatory compliance, and protection of critical systems

Cybersecurity challenges are no longer limited to traditional IT environments. German organizations are required to protect operational technology, supply chains, and hybrid systems in which legacy and modern platforms coexist. This challenge is particularly acute in sectors such as manufacturing, energy, transportation, and healthcare, where operational disruptions can have serious economic and societal consequences.



## AI and Deep Tech – Bridging Research Excellence and Industrial Deployment

**By combining Germany's research strength with Israel's applied innovation capabilities, AI and deep tech are moving from experimental projects to scalable industrial solutions**

Translating artificial intelligence from research environments into large-scale industrial use remains one of the defining challenges of advanced economies. Germany has a long-standing tradition of scientific research and applied engineering, supported by leading universities, research institutes, and industrial R&D centers. In recent years, artificial intelligence and deep tech have become strategic priorities, with significant public and private investment aimed at translating research into economic value. Nevertheless, many organizations continue to face challenges in scaling AI solutions beyond pilot projects.

Deploying AI at an industrial scale requires more than advanced algorithms. It demands robust data infrastructures, domain-specific expertise, and seamless integration into existing processes. In sectors such as manufacturing, mobility, healthcare, and finance, AI solutions must be reliable, transparent, and compliant with European regulatory frameworks.

Israel's innovation ecosystem is particularly strong in

applied AI, machine learning, computer vision, and advanced data analytics. Israeli companies tend to focus on well-defined problems and on rapid validation of technologies in real-world operational environments. This pragmatic approach complements Germany's strengths in research, system engineering, and long-term industrial development. For German companies, collaborating with Israeli AI and deep-tech providers offers access to mature technologies that have already been tested in demanding markets. Such partnerships reduce development risk, shorten implementation timelines, and help bridge the gap between research and industrial deployment. Israeli expertise in data utilization and model optimization further supports the adoption of AI across traditional industries. As Europe shapes its AI strategy around trust, regulation, and industrial value creation, cooperation with Israel provides a practical pathway to responsible innovation. The combination of German research depth and Israeli execution capabilities positions AI and deep tech as powerful drivers of competitiveness and sustainable growth.

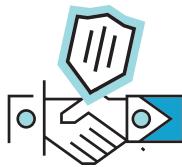
Israel is widely regarded as a global cybersecurity hub, with extensive experience in threat detection, incident response, and the protection of critical infrastructure. Israeli companies have developed advanced solutions for continuous monitoring, risk assessment, industrial security, and the protection of complex and distributed environments.

For German organizations, Israeli cybersecurity technologies offer a combination of operational readiness and regulatory alignment. Many solutions are designed to function within integrated environments and to enhance security without compromising operational continuity. Cooperation with Israeli providers helps German companies meet regulatory requirements while strengthening their overall cyber resilience. As Germany's economy becomes increasingly digital and interconnected, cybersecurity has emerged as a foundational element of trust, stability, and competitiveness. Collaboration

between Germany and Israel in this domain supports a secure basis for industrial growth and technological innovation.



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## Defense & HLS – Security, Resilience and Technological Readiness

**As Germany strengthens its security posture and invests in resilience, Israeli defense and HLS technologies offer proven capabilities that complement European requirements and standards**

Germany's security and defense landscape has undergone a significant shift in recent years. Increased geopolitical uncertainty, the protection of critical infrastructure, and the need for rapid technological adaptation have led to growing investment in defense, homeland security, and resilience capabilities. Beyond traditional military systems, there is a clear focus on intelligence, surveillance, situational awareness, cyber resilience, and emergency preparedness.

German authorities and defense-related industries operate within a highly regulated European framework that emphasizes interoperability, reliability, and long-term sustainability. At the same time, evolving threat scenarios require faster development cycles and the integration of advanced technologies into existing systems. This creates demand for solutions that are both operationally proven and adaptable.

Israel's defense and homeland security ecosystem has been shaped by decades of real-world operational experience. Israeli companies have developed advanced technologies in areas such as command-and-control systems, sensors, situational awareness, border and infrastructure protection, emergency response platforms, and integrated intelligence solutions. These technologies are designed for deployment in complex, high-pressure environments and are continuously refined through operational feedback.

For German stakeholders, cooperation with Israeli technology providers offers access to mature solutions that can be adapted to European standards and regulatory requirements. Israeli systems often complement German platforms by adding digital layers, data fusion, and real-time decision-support capabilities. This combination strengthens readiness while preserving the structured and methodical approach that characterizes German defense and security planning.

As Germany continues to modernize its defense and homeland security capabilities, collaboration with Israel offers a pragmatic pathway to enhancing resilience, accelerating innovation, and addressing emerging security challenges.



## ClimateTech & Energy – Supporting Germany's Energy Transition through Innovation

**Germany's ambitious energy transition creates demand for advanced technologies, where Israeli climate and energy solutions can support efficiency, resilience, and sustainability goals**

Energy systems worldwide are undergoing profound transformation as sustainability targets intersect with economic and industrial realities. Germany is a global leader in climate policy and energy transition. The Energiewende has driven large-scale investment in renewable energy, grid modernization, and energy efficiency, while also introducing new complexities into the energy system. Integrating renewable sources, ensuring grid stability, and managing fluctuating supply and demand have become central challenges for utilities, industrial consumers, and policymakers.

As the energy system becomes more decentralized and data-intensive, digital technologies play an increasingly important role. Advanced monitoring, predictive analytics, and intelligent control systems are required to maintain reliability and reduce costs. German companies and public entities are therefore seeking innovative solutions that enhance visibility, flexibility, and operational efficiency.



across energy networks.

Israel's climate tech and energy ecosystem offers complementary capabilities in areas such as energy management software, grid optimization, storage technologies, smart metering, and AI-based forecasting. Many Israeli solutions focus on maximizing efficiency within constrained environments, an approach that aligns well with Germany's need to balance sustainability targets with industrial competitiveness.

In addition, Israeli companies have developed technologies for energy optimization in industrial facilities, buildings, and transportation systems. These solutions support Germany's broader climate objectives by reducing emissions, lowering energy consumption, and improving system resilience. Collaboration enables German partners to adopt proven technologies without lengthy development cycles.

As Germany advances toward a low-carbon economy, cooperation with Israeli climate and energy innovators contributes to a more flexible, data-driven, and resilient energy system, supporting both environmental and economic priorities.

The German-Israeli Energy Partnership is a long-standing bilateral framework promoting cooperation between Germany and Israel in the field of energy. Led by the German Energy Agency (dena), the partnership supports policy dialogue, joint projects, and the exchange of expertise in areas such as energy transition, sustainability, and innovation.

## Water Innovation – Advanced Solutions for Sustainable Water Management

**Facing infrastructure challenges and climate pressures, Germany can benefit from Israeli expertise in efficient, data-driven, and sustainable water technologies**

Water management has become an increasingly strategic issue in Germany. Climate change, aging infrastructure, and regional water stress are placing pressure on existing systems. While Germany has strong water governance and high-quality infrastructure, utilities and municipalities face growing challenges related to leakage, efficiency, monitoring, and long-term sustainability.

Digitalization is transforming the water sector, enabling utilities to move from reactive maintenance to predictive and preventive approaches. Real-time data, advanced sensors, and analytics are becoming essential tools for managing complex water networks and ensuring service continuity.

Israel is internationally recognized for its leadership in water technology and management. Over decades, Israeli companies have developed solutions for smart water networks, leak detection, wastewater treatment, reuse, desalination, and data-driven water management. These technologies are designed to operate efficiently under conditions of scarcity and stress, making them highly relevant in a changing climate.

For German water utilities and industrial users, Israeli water technologies offer practical tools to improve efficiency, reduce losses, and enhance monitoring capabilities. Many solutions can be integrated into existing infrastructure, enabling gradual modernization without major disruption. Israeli expertise in combining hardware, software, and analytics supports more informed decision-making and long-term planning.

As water security becomes an integral part of sustainability and resilience strategies, collaboration between Germany and Israel offers a valuable opportunity to strengthen water management systems through innovation and shared expertise.



## > Health, Life Sciences, and Digital Health – Innovation in a Regulated Environment

**Germany's strong healthcare system and regulatory framework create opportunities for Israeli innovation in digital health, life sciences, and pharmaceutical technologies**

Healthcare systems across Europe face mounting pressure from demographic change, rising costs, and workforce constraints. Germany operates one of Europe's largest and most advanced healthcare systems, characterized by high clinical standards, a strong hospital network, and significant investment in medical research. At the same time, demographic change, rising costs, and workforce shortages are placing increasing pressure on healthcare providers and payers. Digital transformation has therefore become a strategic priority, aimed at improving efficiency, quality of care, and long-term sustainability.

The German market is highly regulated, particularly in areas such as medical devices, pharmaceuticals, and digital health applications. Compliance with European regulations, data protection requirements, and reimbursement frameworks is essential for successful market entry. While these conditions create barriers, they also generate demand for reliable, clinically validated, and secure technologies. Israel's life sciences and digital health ecosystem is well-positioned to complement Germany's needs. Israeli companies are active in areas such as AI-based diagnostics, remote patient monitoring, clinical decision support, digital therapeutics, and healthcare data analytics. Many solutions have been developed in close cooperation with hospitals and healthcare providers, enabling rapid validation in

real-world clinical environments. For German stakeholders, collaboration with Israeli innovators offers access to mature technologies that can enhance clinical workflows, support preventive care, and improve patient outcomes. Israeli companies bring experience in navigating complex regulatory environments and in adapting solutions to meet strict privacy and security standards. These partnerships support the integration of digital tools into Germany's healthcare system while maintaining trust and quality of care.



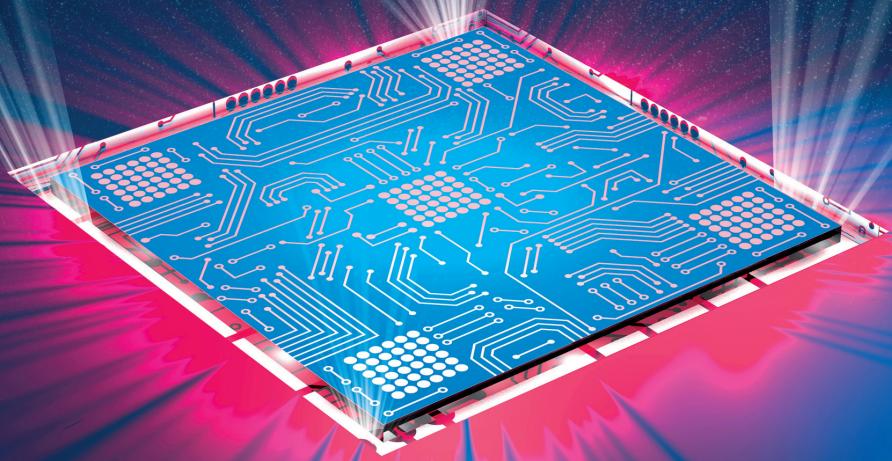
## FinTech – Innovation Supporting Stability and Regulation

**As Germany advances digital finance within a regulated framework, Israeli fintech solutions contribute agility, security, and data-driven capabilities**

Germany is one of Europe's largest financial markets, with a strong banking sector, growing fintech activity, and an increasing focus on digital financial services. At the same time, regulatory requirements related to compliance, risk management, and consumer protection remain central to the market's structure. Financial institutions are therefore seeking innovation that enhances efficiency while preserving stability and trust.

Digital payments, open banking, regtech, and data-driven risk analysis are among the key areas of transformation. German financial institutions face the challenge of modernizing legacy systems while complying with European regulations and cybersecurity requirements. This creates demand for technologies that can be integrated securely and incrementally. Israel's fintech ecosystem has developed a strong focus on infrastructure-level solutions, including fraud detection, identity management, compliance automation, payment technologies, and financial data analytics. Israeli companies often work closely with global financial institutions, developing tools designed to operate within complex regulatory environments.

For German banks, insurers, and financial service providers, cooperation with Israeli fintech companies enables faster adoption of digital capabilities without compromising compliance. Israeli technologies help improve operational efficiency, strengthen security, and enhance customer experience. These solutions support Germany's ambition to remain a stable yet innovative financial hub within Europe.



## Semiconductors: Strategic Capabilities for Europe's Digital Future

**As Germany strengthens its semiconductor ecosystem, Israeli expertise in chip design and advanced technologies complements European manufacturing ambitions**

Semiconductors have become a strategic priority for Germany and the European Union, driven by supply chain vulnerabilities and the growing demand for advanced chips across automotive, industrial, and digital applications. Germany plays a central role in Europe's semiconductor strategy, with significant investments in manufacturing, research, and ecosystem development.

While Germany's strength lies in advanced manufacturing, equipment, and industrial applications, the semiconductor value chain also depends heavily on design, verification, and specialized technologies. Bridging these domains is essential for building a resilient and competitive European ecosystem.

Israel is a global center of excellence in semiconductor design, verification, and advanced chip technologies. Israeli companies and R&D centers are active in areas such as automotive chips, AI accelerators, sensors, and communication technologies. This expertise is closely aligned with the needs of Germany's automotive and industrial sectors.

For German manufacturers and research institutions, collaboration with Israeli semiconductor innovators provides access to advanced design capabilities and specialized

know-how. These partnerships support faster development cycles, improved performance, and greater flexibility across the value chain. As Europe invests in strengthening its semiconductor independence, cooperation between Germany and Israel contributes to a more integrated and competitive ecosystem.

## Business Services – Supporting Market Entry and Long-Term Growth

**Germany's structured business environment creates demand for professional services, where Israeli expertise supports cross-border activity and sustainable partnerships**

Operating in highly regulated markets places growing importance on legal, financial, and professional advisory services.

Germany offers a stable, transparent, and highly regulated business environment, which is a key advantage for international companies. At the same time, entering and operating in the German market requires a deep understanding of legal frameworks, tax structures, compliance obligations, and local business practices. For foreign companies, professional business services play a central role in ensuring smooth market entry and long-term success.



German companies and institutions place high value on accuracy, reliability, and compliance. Legal advisory, accounting, auditing, consulting, and corporate services are therefore essential components of cross-border cooperation. The complexity of European regulations and reporting standards further increases the need for specialized expertise.

Israeli companies expanding into Germany often rely on a combination of local and international service providers. Israeli business service firms bring experience in supporting global operations, managing complex transactions and navigating regulatory environments across multiple jurisdictions. This expertise is particularly valuable in sectors such as technology, industry, and life sciences,

where regulatory and contractual requirements are demanding.

For German partners, collaboration with Israeli service providers offers an understanding of both innovation-driven business models and European compliance standards. Israeli firms often act as a bridge between fast-moving technology companies and Germany's structured corporate environment. This combination supports effective communication, risk management, and the development of long-term business relationships.

As cooperation between Germany and Israel continues to expand, professional business services contribute to building trust, reducing friction and enabling sustainable economic partnerships.

## Recruitment and HR – Talent, Skills and Workforce Transformation

### **Germany's evolving labor market and skills shortages create opportunities for innovative recruitment and HR solutions from the Israeli ecosystem**

Shifts in demographics, technology, and working models are redefining workforce needs across multiple industries. Germany's labor market is undergoing significant change. Demographic trends, digital transformation, and the demand for new skills are reshaping workforce needs across industries. Many sectors, including engineering, IT, healthcare, and manufacturing, face persistent talent shortages, while companies are required to adapt to new working models and regulatory frameworks. Recruitment and human resources have therefore become strategic functions. German employers seek solutions that improve talent acquisition, workforce planning, and employee retention, while maintaining compliance with labor laws and collective agreements. Data-driven HR tools and digital platforms are increasingly used to support these objectives.

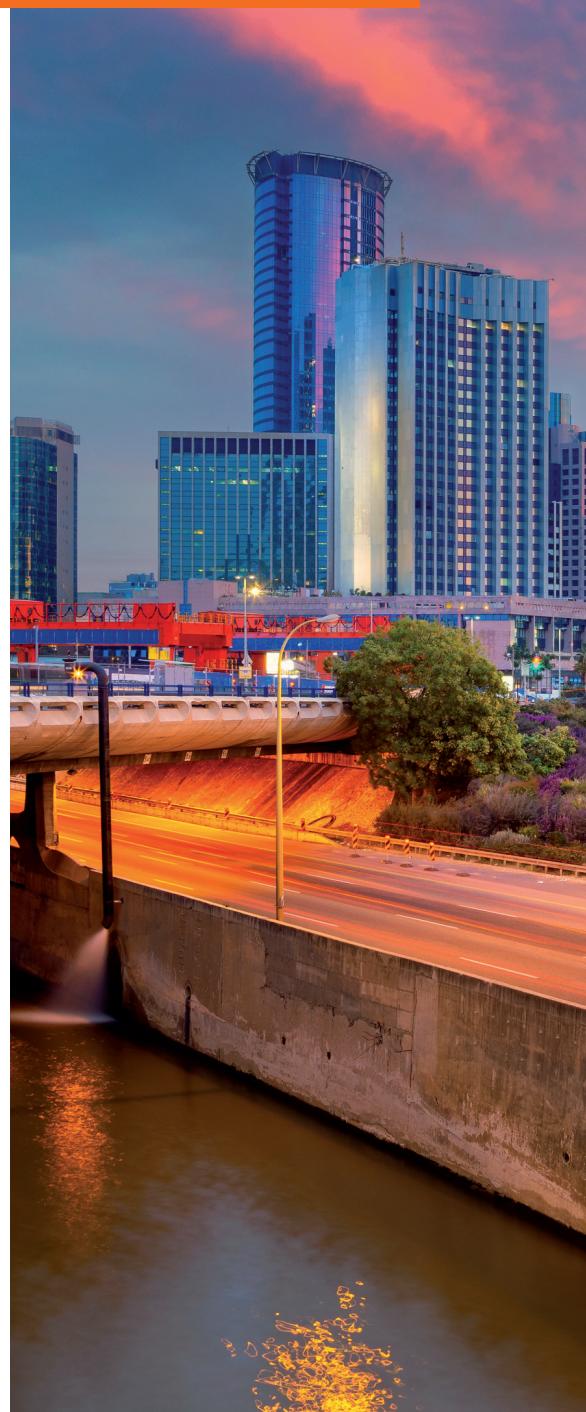
Israel's HR and recruitment technology ecosystem has developed innovative solutions in areas such as talent analytics, skill matching, remote workforce management, and digital recruitment platforms. Israeli companies often focus on efficiency, scalability and the intelligent use of data to address workforce challenges.

For German organizations, Israeli HR technologies can complement existing systems by enhancing recruitment processes, improving decision-making, and supporting workforce flexibility. These solutions are particularly relevant in technology-driven sectors and in international organizations that operate across borders.

As Germany continues to adapt its labor market to economic and technological change, cooperation with Israeli HR innovators supports a more agile and resilient workforce, aligned with future skills requirements.



# More Information





# Business Culture in Germany and Israel - Bridging Approaches and Building Trust

Differences in management style, communication, and decision-making between Germany and Israel, and how they can be leveraged to an advantage for long-term business cooperation

Economic cooperation between Germany and Israel has expanded significantly over recent decades, driven by shared interests in technology, innovation, and industrial development. Alongside these opportunities, the success of business collaboration depends not only on technological alignment or market conditions, but also on cultural understanding. Differences in business culture, communication styles, and decision-making processes often influence partnerships just as strongly as regulatory frameworks or economic considerations. Understanding these differences is a key element in building sustainable cooperation. When approached with awareness and mutual respect, cultural diversity becomes a source of strength rather than friction.

## Structure, planning, and predictability

German business culture places a strong emphasis on structure, planning, and predictability. Decisions are typically made following thorough analysis, detailed documentation, and internal alignment. Transparent processes, well-defined responsibilities, and long-term planning are essential for reliability and quality. Meetings are usually well prepared, agendas are followed closely, and commitments are expected to be met precisely. Israeli business culture, by contrast, is shaped by a more dynamic and flexible approach. Israeli companies are

accustomed to operating in fast-paced environments and often prioritize speed, adaptability, and problem-solving over formal structure. Decisions may be made quickly, sometimes with incomplete information, and processes often evolve as projects progress.

For German partners, this flexibility can be seen as agility and creativity, but also as a lack of planning if not clearly communicated. For Israeli partners, German thoroughness may appear slow or overly cautious, yet it reflects a strong commitment to risk reduction and long-term stability. Understanding the motivations behind each approach helps align expectations from the outset.

## Communication styles and hierarchy

Communication in German business settings tends to be direct, precise, and fact-based. Clarity is valued over diplomacy, and professional criticism is usually expressed openly and without personal intent. Organizational hierarchies are respected, roles are clearly defined, and decision-making authority generally follows formal structures.

Israeli communication is also direct, but typically less formal and more expressive. Organizational hierarchies are flatter, and it is common for junior employees to challenge ideas or engage directly with senior management. Conversations may be lively and can move quickly between topics.

In cross-cultural settings, these differences can lead to misunderstandings. German counterparts may interpret Israeli informality as a lack of respect for structure, while Israelis may perceive German formality as distant or rigid. Establishing clear communication norms early in the relationship helps prevent friction and supports productive dialogue.

### Time management and deadlines

Punctuality and adherence to deadlines are fundamental elements of German business culture. Meetings start on time, project milestones are defined in advance, and delays are generally avoided or formally addressed. Reliability in meeting agreed-upon timelines is associated with professional credibility. In Israel, timelines tend to be more flexible, particularly in innovation-driven environments where rapid iteration is common. Deadlines are often viewed as targets rather than fixed commitments and may be adjusted in response to new information or shifting priorities. In joint projects, aligning expectations around timelines and deliverables is critical. German partners value transparency and early notification of potential delays, while Israeli partners benefit from understanding the importance Germans place on precise planning. Mutual transparency reduces frustration and fosters smoother project execution.

### Risk perception and decision-making

German companies typically approach risk with caution, conducting detailed assessments before committing resources. This reflects a broader cultural preference for stability, compliance, and long-term sustainability. Pilot projects and phased implementation are often used to validate new technologies before scaling.

Israeli companies are generally more comfortable with calculated risk and experimentation. The Israeli innovation ecosystem encourages rapid testing of ideas, learning from failure, and continuous adaptation. This mindset supports innovation, but may contrast with German expectations of certainty and prior validation.

Successful collaboration often combines these approaches. Israeli companies contribute speed and creative problem-solving, while German partners provide rigorous evaluation and structured scaling. When aligned effectively, this balance supports both innovation and reliability.

### Trust, relationships, and a long-term perspective

In Germany, trust is built gradually through consistency, performance, and adherence to agreements. Personal relationships are important, but professional reliability forms the foundation of long-term partnerships. Once

trust is established, relationships tend to be stable and enduring.

In Israel, trust is often established more quickly and is closely linked to personal interaction, openness, and shared problem-solving. Business relationships may develop rapidly, but they also require ongoing engagement and responsiveness.

Understanding these different paths to trust helps manage expectations. Germans often value patience and continuity, while Israelis emphasize accessibility and responsiveness. Respecting both approaches strengthens cooperation over time.

### Practical considerations for cross-border cooperation

For German organizations working with Israeli partners, clearly defining scope, timelines, and responsibilities is essential. Detailed documentation, transparent expectations, and structured feedback support alignment and efficiency. At the same time, openness to flexibility and iterative development can unlock innovation.

For Israeli companies engaging with German counterparts, preparation and precision are critical. Demonstrating familiarity with regulatory requirements, presenting well-structured proposals and respecting formal processes help build credibility. Patience with decision-making processes is often rewarded with long-term commitment. Both sides benefit from investing time in understanding each other's business environments, legal frameworks, and cultural norms. Regular communication, transparent expectations, and mutual respect form the basis of successful cooperation.

### German business culture places a strong emphasis on structure, planning, and predictability

### Building bridges through understanding

As economic ties between Germany and Israel continue to deepen, cultural awareness becomes a strategic asset. Differences in business culture should not be viewed as obstacles, but as complementary strengths. German structure and reliability, combined with Israeli agility and innovation, create a strong foundation for collaboration. By acknowledging differences, adapting communication styles, and aligning expectations, German and Israeli partners can build trust, reduce friction, and establish sustainable business relationships. In an increasingly interconnected global economy, cultural understanding is not merely a soft skill, but a critical factor for long-term success.

# Israel and Germany: A 60-Year Economic Partnership at a New Crossroads



The year 2025 marked 60 years of diplomatic relations between Israel and Germany. Historically speaking, the economic aspect of the relationship between the two countries began to take shape much earlier, gradually and cautiously, based on the understanding that such a bond is not only political or historical, but also a practical infrastructure for cooperation, trust-building, and the promotion of long-term projects.

Over six decades of official relations, an extensive system of trade, investment, research and development, industrial ties, and technological cooperation has emerged. This system has positioned Germany as Israel's principal economic partner in Europe, and Israel as an innovative and relevant partner for German industry in an era of digital, energy, and security transformation.

## **Economic foundations: from early agreements to formal relations**

A key milestone in the economic relationship was the Reparations Agreement signed in Luxembourg in 1952 between Israel and the Federal Republic of Germany. The agreement included a commitment to supply goods and services on a significant scale over many years, and constituted an early economic pillar even before diplomatic relations were established. At the time, Israel was a young state in need of infrastructure, equipment, and broad economic support.

Diplomatic relations between the two countries were established in 1965. From that point onward, economic ties took on a broader, more consistent and institutionalized character, marked by growth in trade volumes, increased company presence, and the creation of official mediation mechanisms and business communities on both sides.

## **Institutions and mechanisms: building long-term business trust**

A central factor in the success of economic relations

between countries is the existence of effective "soft infrastructure:" institutions that connect companies, provide information, establish standards, and reduce barriers. In this context, the Israel-Germany Chamber of Commerce (AHK – Israel, German-Israeli Chamber of Industry & Commerce) serves as a representative body of the German economy in Israel and plays an active role in promoting trade relations, investments, and market penetration services.

In parallel, a governmental and scientific infrastructure for cooperation was developed, including frameworks for research collaboration, vocational training, and inter-ministerial

programs. According to official reviews, cooperation in vocational training began as early as 1969, followed by the establishment of foundations for scientific and technological cooperation between government ministries in the early 1970s.

An additional milestone in strengthening business certainty was the signing of the Investment Protection Agreement in the mid-1970s, providing a legal framework for encouraging and safeguarding mutual investments.

## **Science as diplomacy: research and development as a strategic anchor**

One of the distinctive features of Israel-Germany relations is the central role of scientific and technological cooperation. Rather than emerging as a late addition, this cooperation helped build trust and, in some cases, preceded broader commercial expansion. Over time, it was reinforced through institutionalized joint funds and programs.

A prominent example is the German-Israeli Foundation for Scientific Research and Development (GIF), established in 1986 through an agreement between the science ministers of both countries. Since then, it has served as a key mechanism for financing collaborative research projects. Official German sources emphasize that technological



cooperation is intended to promote economic and social prosperity in both countries, and that scientific ties have functioned as a long-term “bridge of trust.”

Within the broader European context, Germany is also regarded as Israel’s leading partner in European Union research programs in which Israel has participated since the mid-1990s, underscoring the continuity and depth of this research partnership.

### **Trade and investment: a central European partnership**

Germany is one of Israel’s most important economic partners within the European Union. Bilateral trade is significant and stable, with annual economic relations estimated at more than €8 billion as of the end of 2025. Beyond the numbers, the partnership reflects complementary strengths. For Israeli companies, Germany offers a large and sophisticated market, advanced manufacturing industries, a business culture that emphasizes quality, standards, and structured processes, and access to broader European markets. For German companies, Israel contributes rapid innovation capabilities, research-based solutions, and practical experience in deploying technologies in fields such as cybersecurity, smart industry, digital health, agritech, and climate tech.

### **Governments as economic actors: intergovernmental cooperation**

In 2008, Israel and Germany launched their first intergovernmental consultations, creating a framework designed to deepen the unique relationship through coordinated initiatives, memoranda of understanding, and broad-based cooperation. Subsequent rounds over the following decade included joint declarations addressing civil, scientific, and technological collaboration.

In recent years, official cooperation has continued despite the emergence of a more complex regional and global environment. Notable examples include a cooperation agreement between Israel’s Ministry of Energy and Infrastructure and the relevant German federal ministry in November 2024, as well as an official update in December

2025 regarding strengthened cooperation in cybersecurity between Israel’s National Cyber Directorate and German government bodies. These developments reflect ongoing institutional collaboration in core strategic areas.

### **The potential for the next decade**

The coming decade is expected to involve deep structural adjustments in the German economy. These include the transition to clean energy and smart electricity systems, the expansion of smart industry and digital supply chains, advanced automation, industrial cybersecurity, and the broad integration of artificial intelligence into manufacturing, logistics, and infrastructure management. For Israel, this presents a clear opportunity not only to supply technology but also to contribute problem-solving approaches, rapid pilot programs, and collaborative models that connect between research institutions, startups, and industrial partners. At the same time, Germany offers Israeli companies the ability to transform innovation into stable, large-scale products, supported by engineering expertise, regulatory experience, established standards, and manufacturing capacity.

The combination of Israeli speed and flexibility with German precision, regulation, and scale represents a natural basis for high-value cooperation with both technological and commercial impact.

### **Conclusion: from legacy to focused opportunity**

Six decades after the establishment of diplomatic relations, Israel and Germany maintain an economic partnership built on institutions, joint research frameworks, governmental mechanisms, business communities, and substantial trade flows. Official data indicate high and stable volumes, while the institutional architecture reflects depth and continuity.

Looking ahead, the central challenge is how to translate this strong foundation into focused initiatives: joint industrial projects, applied research collaborations, infrastructure pilots, and the positioning of Israeli innovation as a complementary and strategic component in the transformation of Germany’s core economic sectors.

# Israel and Germany: Growth, Innovation and Resilience

Ongoing cooperation in technology, investment and sustainability will be essential in shaping a prosperous economic landscape for both countries | **Dan Catarivas**

The economic relationship between Israel and Germany has evolved significantly over the past six decades, demonstrating resilience, cooperation, and mutual benefit. Since its formal establishment in 1965, this partnership has steadily expanded and today encompasses a broad range of sectors, creating a solid framework for collaboration.

Trade between the two countries has grown substantially since the 1960s. Germany is one of Israel's leading trading partners in Europe, with Israeli exports including technology, pharmaceuticals, and agricultural products. In recent years, bilateral trade has reached billions of euros annually, reflecting the growing interdependence between the two economies. German companies have also increased their investments in Israel, particularly in high-tech sectors such as cybersecurity, biotechnology, and clean energy. Israeli startups benefit from German venture capital, which supports innovation and technological development.

Cooperation in research and development has expanded as well, with numerous joint projects between universities and research institutions in both countries. Programs such as the German-Israeli Fund for Scientific Research and Development encourage bilateral collaboration in science and technology.



Dan Catarivas

## **German investments as a driver of growth in Israel's high-tech sector**

German investments have played a significant role in strengthening Israel's high-tech sector and enhancing its global standing. Venture capital funds from Germany have increased their activity in Israel, providing essential funding that enables startups to scale and bring new technologies to market.

German companies frequently partner with Israeli firms through joint ventures that combine Israeli innovation with German engineering expertise. These collaborations support technological advancement in areas such as cybersecurity, artificial intelligence, fintech, and other emerging fields. In addition, German investments provide Israeli technology companies with improved access to European markets.

## **Looking ahead: a partnership with future potential**

As both countries face future challenges, their continued commitment to cooperation is expected to generate positive outcomes and strengthen their positions in the global economy. Investments often include joint research and development activities, supporting technology transfer and institutional cooperation.

Looking at the overall trajectory of Israel-Germany relations, the future appears promising. Ongoing cooperation in technology, investment, and sustainability will remain essential in shaping a prosperous economic landscape for both countries.

The Israel-Germany Chamber of Commerce and Industry has been a central actor in promoting and strengthening economic relations between the two countries and is expected to continue playing a significant role in the years ahead. The Israeli Federation of Bi-National Chambers of Commerce and Industry congratulates the Israel-Germany Chamber of Commerce on its excellent work and congratulates both countries on 60 years of diplomatic relations.



The author is the President of the Israeli Federation of Bi-National Chambers of Commerce and Industry

# Showcasing Israel's Broad Technological Ecosystem

Most Christian business leaders in Germany are not familiar with Israel as the “Startup Nation” and are often unaware of the depth and diversity of its technological and entrepreneurial ecosystem. Their connection to Israel is primarily faith-based, while public media coverage, unfortunately, tends to focus mainly on conflicts.

To address this gap, Christians for Israel in Germany (CSI) recently established CSI Business, an initiative designed to strengthen business awareness and engagement through Startup Nation seminars, conferences, online sessions with speakers from the Israeli ecosystem, and additional activities aimed at connecting business communities in Germany and Israel.

The initiative was founded by Dr. Ansgar Niehoff, who has been active within CSI for more than 13 years. Over the years, he has organized numerous trips to Israel for young German Christians, with the goal of introducing them to the country and strengthening the bonds of friendship between Israel and Germany, and between Jews and Christians. About ten years ago, Dr. Niehoff began exploring the Israeli ecosystem firsthand as part of his role within a multinational German corporation. His first encounter with the Startup Nation quickly developed into a genuine passion for connecting German business leaders with Israeli entrepreneurs and startups.

**CSI and CSI Business - Background and Vision**  
CSI is a non-profit organization that supports Israel in various ways, including humanitarian projects, assistance to Holocaust survivors, support for Jewish immigration from Ukraine, and more. Since 2024, the organization has also been operating a dedicated unit, CSI Business, focused on connecting German business leaders with Israel's unique startup ecosystem.

Dr. Niehoff's extensive network and close working relationships with senior figures across the Israeli ecosystem, including academia, research institutes,

Photo: Courtesy of CSI Business



A delegation of German business leaders visiting Israel

**CSI Business is an initiative to deepen economic cooperation and expose German business leaders to Israel's innovation landscape**

multinational corporations, incubators and accelerators, venture capital funds, and startups – enable CSI Business to make these connections accessible to additional German business leaders, particularly within the Christian community, where a strong and longstanding bond with Israel and the Jewish people already exists. Recently, a delegation of German business leaders affiliated with the organization participated in an introductory innovation trip to Israel, which proved highly successful. The visit included approximately 30 meetings with inspiring Israeli figures from across the ecosystem, as well as visits to Tel Aviv, Jerusalem, and southern Israel. In the south, participants experienced firsthand Israel's exceptional resilience in the aftermath of the devastating events of October 7.

“Israel is one of the most resilient nations in the world”, says Dr. Niehoff. “Even after the greatest tragedy in the country's history on October 7, we were able to see signs of hope and light in Kibbutz Kfar Aza, which was severely affected. We had the privilege of hearing stories of survival and taking part in a workshop in Kfar Aza, where natural fibers are being used to create sustainable and pleasant insulation materials, reimagining the construction industry”.

**For more information about CSI Business**

[www.csi-aktuell.de](http://www.csi-aktuell.de)  
<https://csi-aktuell.de/business/>

CHRISTEN AN DER SEITE  
**ISRAELS** J.  
 DEUTSCHLAND

# FICC: Bridging Businesses – Connecting Worlds

## The Federation of Israeli Chambers of Commerce Setting Up Opportunities with German Companies across the Spectrum

The Federation of Israeli Chambers of Commerce (FICC) is proud to be part of the Israel-Germany Business Guide 2025. Established in 1919, the FICC is Israel's oldest and largest business organization, representing thousands of companies, including leading Israeli importers, across over 80 sub-sectors. As a non-governmental, non-political, and independent organization, our primary mission is to promote Israel's business sector.

We represent Israeli companies by advocating, protecting, and promoting needs and best practices in order to reduce trade barriers. We liaise with government ministries and officials, business organizations, customs authorities, municipal authorities, foreign diplomats, and counterpart representatives.

### Offering a range of services

In addition, we serve as a one-stop shop for our members, providing services such as legal advisory, regulatory support, import and customs assistance, business arbitration and trade documentation. We also run a business college, and the International Relations & Business Intelligence Division.

Our International Relations & Business Intelligence Division leads business development and international engagement efforts by assisting businesses in entering new markets, identifying suppliers for importers, organizing delegations, roundtables and B2B meetings, sharing business opportunities and providing insights on tenders, businesses, exhibitions, and global trade prospects.

### FICC – the vital link to the German market

For many years, we have maintained strong connections with leading economic organizations in Germany, both on the federal and state levels, and are always eager to



Photos Courtesy of FICC

Meet our team (from left to right): Alexei Pogur, Noah Grayson, Valeri Skomorovsky, Navi Blumenfeld, Merav Shwartz

develop new relationships. Members of our Chamber import various products from Germany, including chemical and vehicles transportation equipment, machinery and pharmaceuticals, electronic equipment, metals, plastics and rubber, food and beverage, and more.

We sense a stable growing interest in the German market, with significant untapped potential for trade between Israel and Germany. We are committed to strengthening our partnerships in Germany and expanding trade relations between our countries, with expectations for further progress and success.

### For more information:

We invite everyone interested in the Israeli market to explore our Business Opportunities Platform and connect with our Business Development Executive for the German Market, Ms. Noah Grayson, Business Development Executive, Western European Markets | [Noahg@chamber.org.il](mailto:Noahg@chamber.org.il)

**FEDERATION OF ISRAELI  
CHAMBERS OF COMMERCE**  
ISRAEL'S LARGEST BUSINESS ORGANIZATION

# Why is Germany a world leader in exhibitions?

Germany's exhibition ecosystem provides Israeli companies with a powerful platform to expand into Europe, showcase new technologies, and meet decision-makers from every major industry | **Isaac Shalev, Itex**

**G**ermany has established itself as the global leader for trade fairs and exhibitions. According to data from AUMA (the German Trade Fair Industry Association), in 2024 alone, Germany hosted 322 trade fairs, of which 176 were international or national in scope, and 138 were regional. These events together attracted more than 204,000 exhibitors companies (a ~9.2% increase from previous events) and 11.7 million visitors, a 3.2% increase. Among those, an astounding one-third of visitors came from abroad. With around 70 exhibition venues spread across the country, Germany offers unrivaled logistical reach and capacity for trade fairs big and small. Moreover, four of the world's ten biggest exhibition grounds can be found in major German cities such as Hanover, Frankfurt am Main, Cologne, and Düsseldorf, underlining the country's position as the backbone of the global exhibitions industry.

## Scope & Variety: A Fair for Almost Every Industry

The fairs in Germany cover a broad spectrum: from industrial machinery, automotive, energy, construction, and manufacturing, to consumer goods, textiles, agriculture, technology, medical equipment, homeland security, and even niche segments like toys or packaging.

The frequency and variety of fairs make Germany attractive to exporters, manufacturers, innovators, and service-providers

seeking international exposure. As one promotional source puts it: "Germany is the world's number one venue for international trade fairs."

Because of this breadth, many companies of all sizes use German fairs to access European and global markets, launch new products, and network with industry peers.

## Economic & Global Impact

The sheer scale of fairs in Germany translates to. The fairs not only drive business deals and international trade, but also support employment: according to AUMA, the trade-fair industry alone helps secure around 230,000 jobs across Germany.

Moreover, the international nature of these events reinforces Germany's role as a global meeting point for businesses and industries. For many international firms, participation in German trade fairs is a key milestone in their European or global strategy.

## Recent Trends & Outlook

Germany's exhibition landscape seems to be recovering from the economic impact of the pandemic and international events. Major exhibition organizers are investing heavily in modernization, infrastructure, and digital tools aiming to keep Germany at the forefront of the global exhibitions industry.

In short: whether you are a manufacturer, exporter, innovator, or startup, Germany offers unmatched breadth, scale and international reach for trade fairs.



Substantial economic impact.  
EuroShop Exhibition in Germany

A rundown of all 2026-27 global exhibitions can be found in the international search engine for fairs and exhibitions [www.expoexpo.com](http://www.expoexpo.com)





# Key Exhibitions and Conferences - 2026

## In Germany

### **E-world energy & water**

energy, utilities, climate technologies

**Essen**

**February 2026**

<https://www.e-world-essen.com>

### **BIO-Europe Spring**

life sciences, biotech partnerships

**rotating (Germany often host)**

**March 2026**

<https://informaconnect.com/bioeurope-spring>

### **Hannover Messe**

Industry 4.0, manufacturing, automation, energy

**Hannover**

**April 2026**

<https://www.hannovermesse.de>

### **InnoTrans**

transport technology, rail, mobility systems

**Berlin**

**September 2026**

<https://www.innotrans.de>

### **IAA Mobility**

smart mobility, automotive, transportation

**Munich**

**September 2026**

<https://www.iaa-mobility.com>

### **it-sa Expo&Congress**

cybersecurity, IT security

**Nuremberg**

**October 2026**

<https://www.itsa365.de>

### **Bits & Pretzels**

startups, innovation, digital economy

**Munich**

**October 2026**

<https://www.bitsandpretzels.com>

### **MEDICA**

healthcare, medical devices, digital health

**Düsseldorf**

**November 2026**

<https://www.medica-tradefair.com>

### **electronica**

semiconductors, electronics, embedded systems

**Munich**

**November 2026**

<https://www.electronica.de>

## In Israel

### Cybertech Global

cybersecurity

Tel Aviv

**January 2026**

<https://www.cybertechisrael.com>

### OurCrowd Global Investor Summit

investment, technology, startups

Jerusalem

**February 2026**

<https://www.ourcrowd.com/summit>

### MEDinISRAEL

medical devices, digital health

Tel Aviv

**March 2026**

<https://www.medinisrael.com>

### EcoMotion Week

smart mobility, transportation

Tel Aviv

**May 2026**

<https://ecomotionweek.com>

### Tel Aviv Innovation Week

innovation, startups, cross-sector tech

Tel Aviv

**May 2026**

<https://www.tlvinnovationweek.com>

### AI Summit Israel

artificial intelligence, deep tech

Tel Aviv

**June 2026**

<https://www.aisummitisrael.com>

### WATEC Israel

water technologies, climate solutions

Tel Aviv

**September 2026**

<https://www.watec-israel.com>

### DLD Tel Aviv Innovation Festival

digital innovation, startups, VC

Tel Aviv

**September 2026**

<https://dldtelaviv.com>

### AgriTech / AgTech events

agri-tech, food tech

various locations

**2026 (TBA)**

<https://www.agritech-exhibition.com>



## Important contacts: Economic and trade organizations

### In Israel

#### AHK Israel – German-Israeli Chamber of Industry and Commerce

<https://israel.ahk.de> • +972-3-680 6800 • [info@ahkisrael.co.il](mailto:info@ahkisrael.co.il)

#### Embassy of Germany in Israel

<https://tel-aviv.diplo.de> • +972-3-6931313 • [info@telaviv.diplo.de](mailto:info@telaviv.diplo.de)

#### Federation of Israeli Chambers of Commerce

<https://www.chamber.org.il> • +972-3-5631010 • [info@chamber.org.il](mailto:info@chamber.org.il)

#### Manufacturers' Association of Israel

<https://www.industry.org.il> • +972-3-5198819 • [info@industry.org.il](mailto:info@industry.org.il)

#### Federation of Israeli Bilateral Chambers of Commerce (FICC)

<https://ficc.org.il> • +972-3-5165961 • [info@ficc.org.il](mailto:info@ficc.org.il)

#### Ministry of Economy and Industry

<https://www.economy.gov.il> • +972-2-6662000  
• [info@economy.gov.il](mailto:info@economy.gov.il)

#### Ministry of Foreign Affairs

<https://mfa.gov.il> • +972-2-5303155 • [info@mfa.gov.il](mailto:info@mfa.gov.il)

### In Germany

#### Embassy of Israel in Germany (Berlin)

<https://embassies.gov.il/berlin> • +49-30-8904550  
• [info@berlin.mfa.gov.il](mailto:info@berlin.mfa.gov.il)

#### Economic Mission of Israel to Germany (Israel Trade & Economic Office)

<https://itrade.gov.il/germany> • +49-30-2061570  
• [germany@israeltrade.gov.il](mailto:germany@israeltrade.gov.il)

#### DIHK – Association of German Chambers of Industry and Commerce

<https://www.dihk.de> • +49-30-203080 • [info@dihk.de](mailto:info@dihk.de)

#### Germany Trade & Invest (GTAI)

<https://www.gtai.de> • +49-30-2000990 • [info@gtai.de](mailto:info@gtai.de)

#### BDI – Federation of German Industries

<https://bdi.eu> • +49-30-20281400 • [info@bdi.eu](mailto:info@bdi.eu)

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