

CHINA'S SHANDONG PROVINCE SETS SIGHTS ON ISRAELI INNOVATION

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BY EYTAN HALON -APRIL 1, 2019 13:29



From left: Shandong Guohui Investment Co investment manager Zeng Fan, Cukierman & Co. Investment House CEO Haggai Ravid, Shandong Guohui Investment Co vice-general manager Wang Dongkai, Cukierman & Co. Investment House chairman Edouard Cukierman and Yang Xinbo, vice-director of International Economy. (photo credit: Courtesy)

A delegation of senior government and business leaders from China's coastal province of Shandong is touring Israel in search of innovative Israeli technology.

Home to 100 million residents and spanning 160,000 sq. km., industry and manufacturing-dominated Shandong boasts a gross domestic product of \$1.1 trillion, the third largest in China.

On Sunday, the delegation, led by Wang Xuchao, vice director of Shandong's State-owned Assets Supervision and Administration Commission of the State Council (SASAC), met with more than a dozen Israeli hi-tech firms as the province aims to advance its industrial capabilities and increase its efficiency.

Greentech, water technology, renewable energy and various aspects of the technology, media and telecom (TMT) sector are all areas of interest for the delegation, which was hosted by Cukierman & Co. Investment House in Tel Aviv.

"Shandong is a very strong province in many industries, including agriculture and manufacturing," Wang told *The Jerusalem Post*.

"But the major problem for Shandong is that the level of industry is relatively low compared to other provinces. That's why Shandong needs to learn from Israel, to introduce emerging industries and high-end technologies to the local market."

The desire to invest in Israeli technology and collaborate with Israeli partners follows the establishment of the Shandong-Israel Cooperation Program for Industrial R&D, a bilateral agreement signed by the governments of Shandong Province and the State of Israel in 2013.

"Both China and Shandong have been developing very fast in recent years, but are faced with the cost of environmental damage. So the government realizes that it should reduce carbon emissions and develop the new energy sector for a better future," said Wang.

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In May, Cukierman & Co. will partner with Catalyst Funds and Shandong Guohui Investment Co. to co-organize its 22nd GoforIsrael business conference in Jinan, the capital of Shandong province.

The conference aims to bring approximately 100 Israeli technology companies to meet Chinese businesses and financial institutions, and address current issues in fund-raising and the establishment of bilateral strategic alliances.

"This is the fifth time that we're organizing an event in China, and we are overwhelmed by the demand that there is in China to host an Israeli conference," Edouard Cukierman, chairman of Cukierman & Co. Investment House and managing partner of Catalyst Investments, told *the Post*.

China is Israel's second largest trade partner worldwide today, with bilateral trade exceeding \$10b in 2017. The visit of Chinese Vice President Wang Qishan to Israel in October 2018 symbolized the importance Beijing places on increasing innovation cooperation with the Jewish state.

"What is missing very often in China is not the market size but it's really the innovation that they are looking for in Israel, especially technologies that can have a major impact on their core business concerns," said Cukierman.

"Obviously there are issues with military exports to China and potential investments by Chinese groups in some regulated markets, such as banks and telecoms. But regarding the private sector, it's a huge opportunity for the

venture industry, for the technology industry and for the growth of the Israeli economy to be able to expand their operations in China or attract Chinese investments.”

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