



Israel: Beyond the Narrative of the Start-Up Nation

Jean-Loup Samaan

Senior Research Fellow

Middle East Institute, National University of Singapore



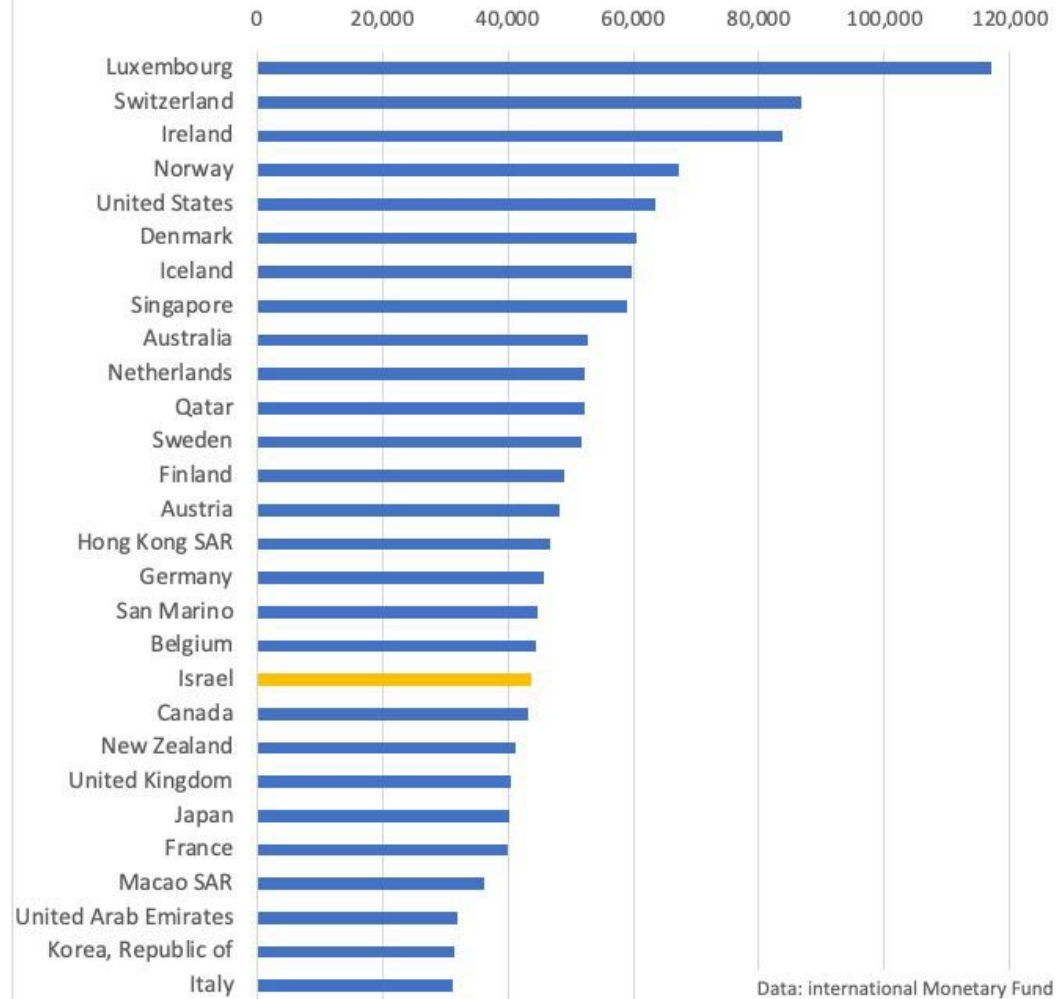
Israel: Beyond the Narrative of the 'Start- Up Nation'

- The Economic Miracle
- The Israeli Culture of Innovation
- Social Challenges
- Security Challenges
- Future of the 'Start-Up Nation'

Israel: An Economic Miracle

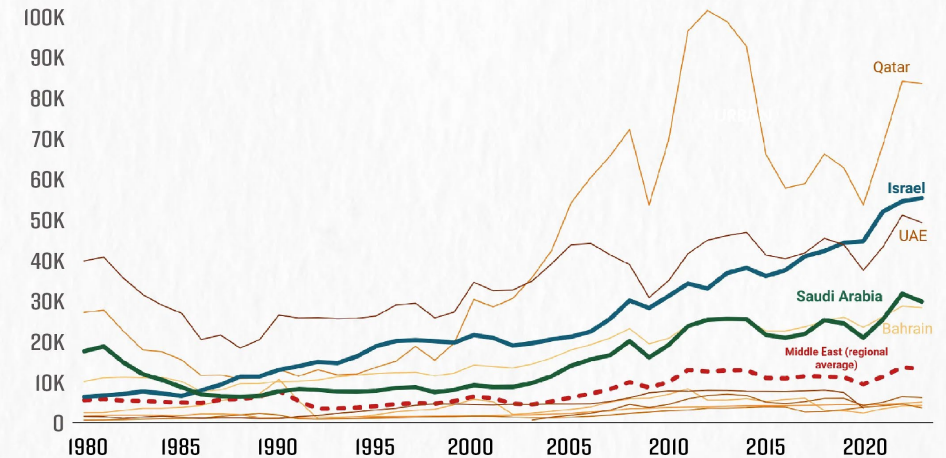
- Economic Indicators
- Lack of natural resources
- Small domestic market
- Food & water security challenges
- The primacy of the tech sector

GDP Per Capita | 2020 (in thousands of USD)



ISRAEL HAS THE SECOND HIGHEST PER CAPITA INCOME IN THE MIDDLE EAST

GDP PER CAPITA (IN \$ AT CURRENT PRICES) FOR SELECT MIDDLE EASTERN COUNTRIES

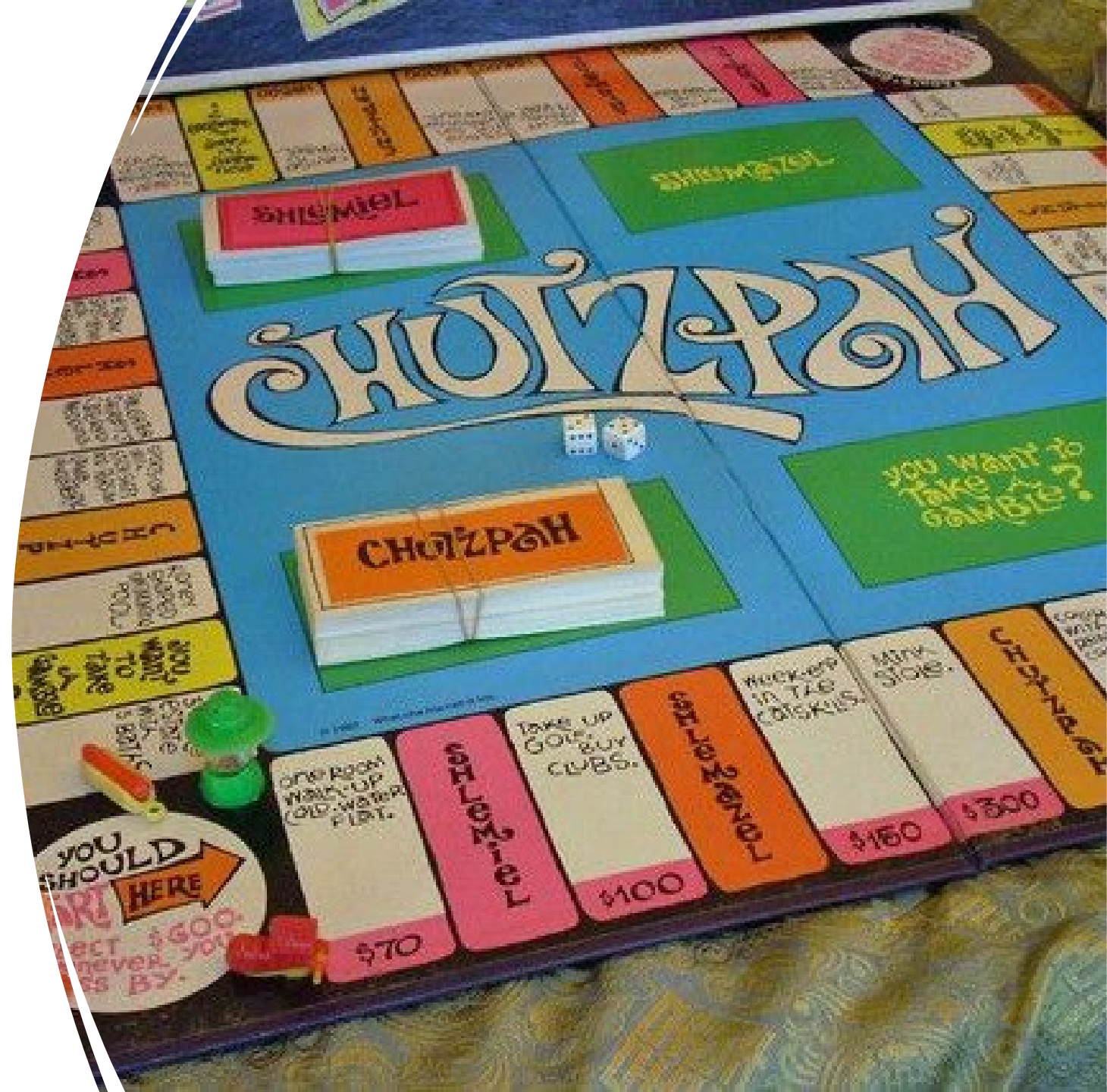


SOURCE: WORLD BANK DATABASE



The Israeli Culture of Innovation

- “Chuzpah”
- Loose hierarchy and risk-taking propensity
- The military-tech eco-system





mPrest

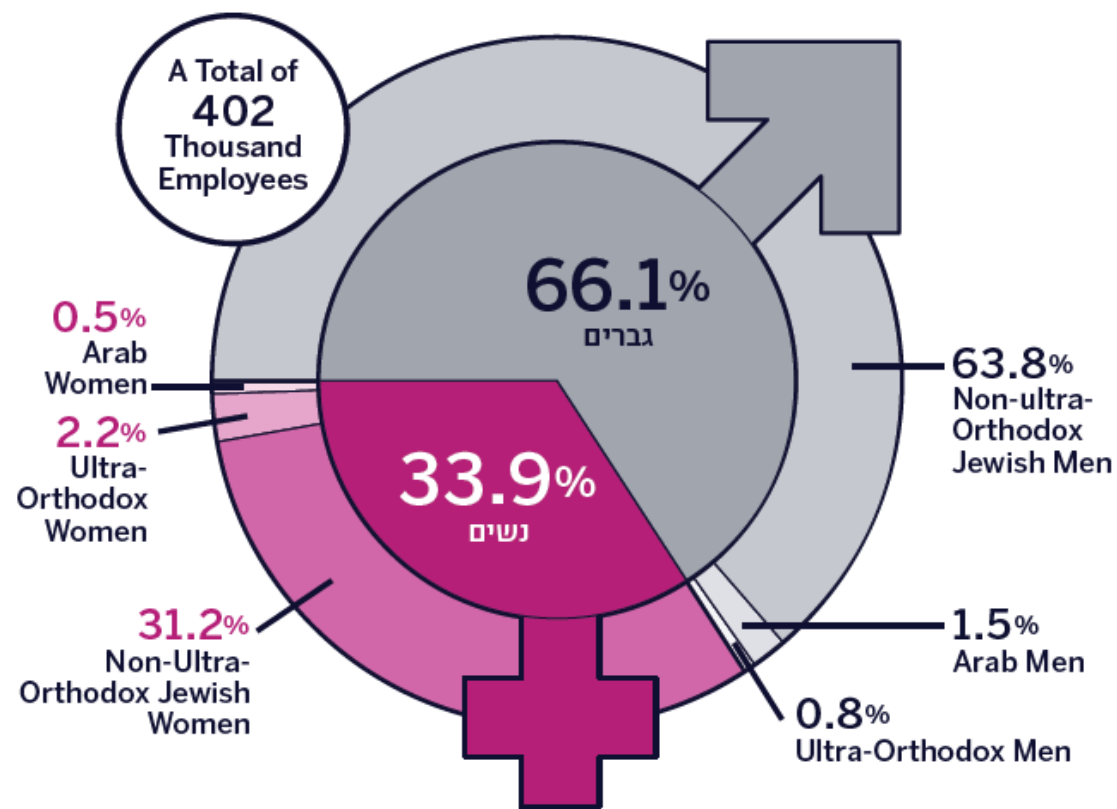


RAFAEL 
ADVANCED DEFENSE SYSTEMS LTD.



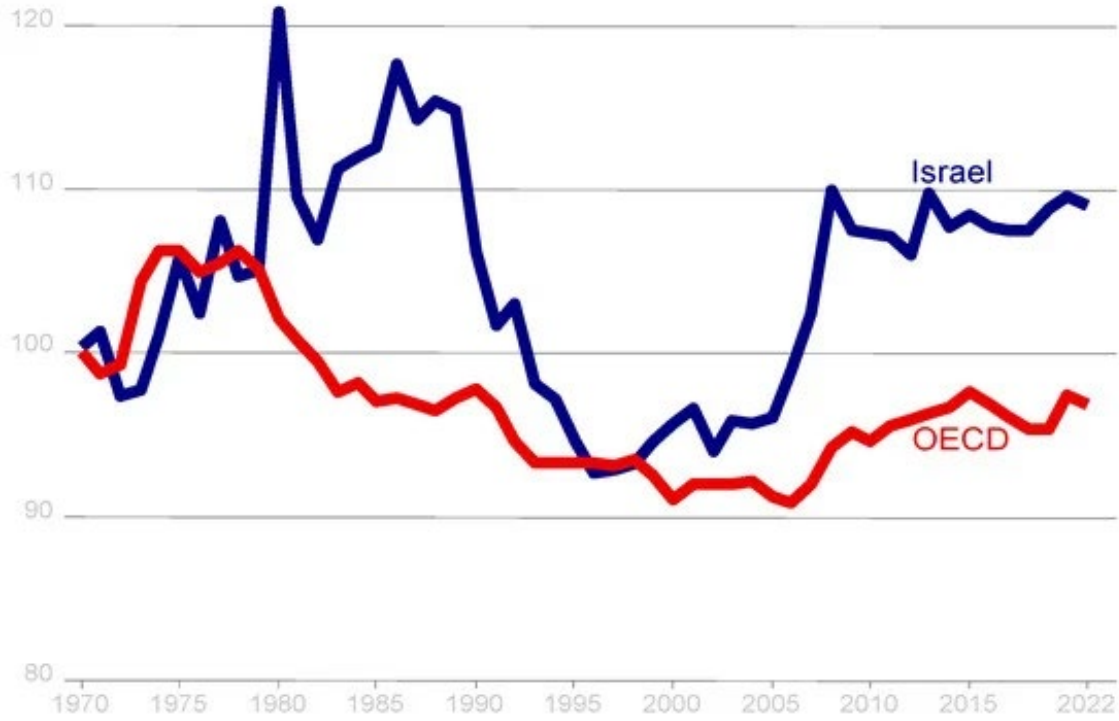
Social Challenges of the Start-Up Nation

- A tale of two economies “Hadera-Gedera”
- Soaring cost of living
- A war economy since October 2023



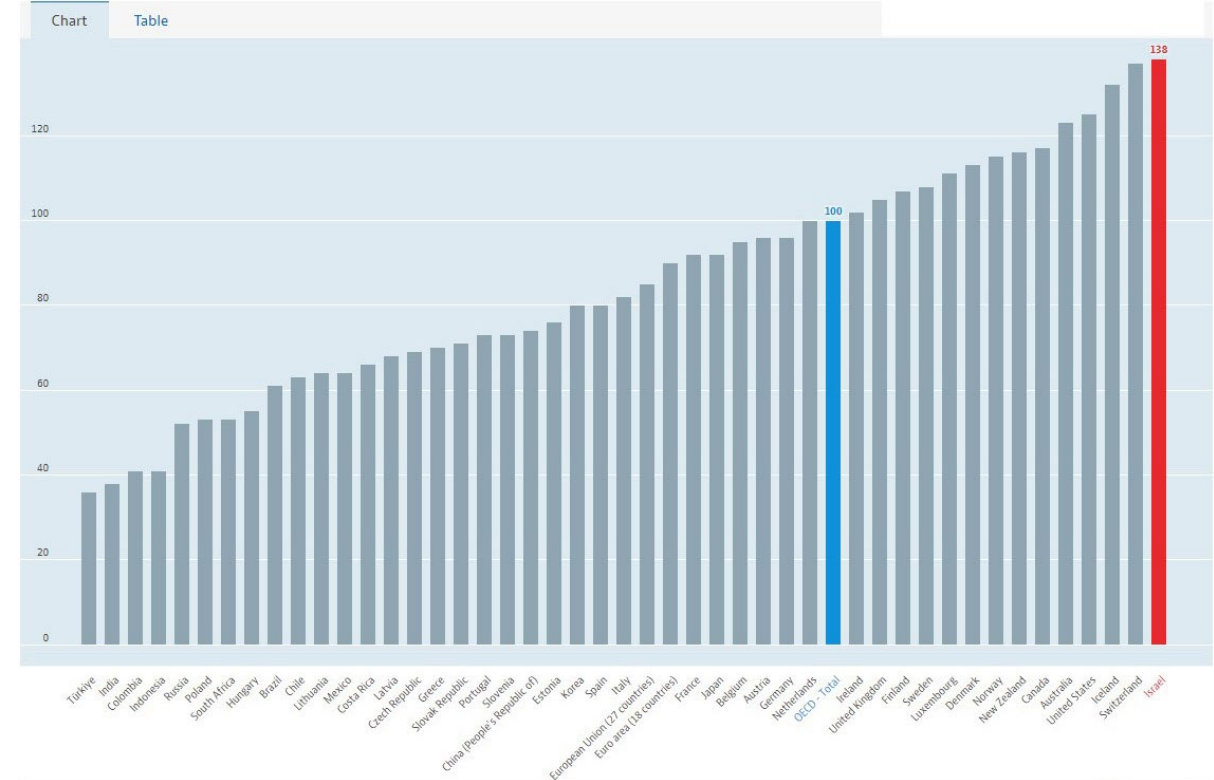
Source: Innovation Authority adaptation of CBS data

Soaring Cost of Living



Source: OECD

Price level indices Total, OECD=100, 2022 or latest available



Economic growth

(% unless otherwise indicated)

	2023	2024	2025
US GDP	2.5	2.4	1.4
Developed economies GDP	1.6	1.6	1.5
World GDP	2.6	2.5	2.6
World trade	-0.9	2.8	3.4

Source: The Economist Intelligence Unit

The Enduring Israel-Palestine Conflict

- The cost of the occupation
- The cost of protecting infrastructures and civilians
- The reputational cost of the ongoing war



The Future of the Start-Up Nation

- Economy remains resilient but highly dependent on one sector
- The rift between the Tel Aviv elite & the Israeli periphery
- Nationalism vs globalization

