



## A high-tech bridge between Arabs and Jews

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**NAZARETH, Israel** Can Israel's drive to develop its technology sector as the nation's economic crown jewel help overcome generations of animosity between Arabs and Jews?

That is the hope, distant and romantic as it may be, of Israel's first state-supported Jewish-Arab high-technology incubator, which was privately founded in 2002, not long after Israeli-Palestinian tensions erupted again into open violence.

"Arab-Jewish economic cooperation is the first step to peace," said Nasri Said, an Israeli Arab, who now serves as a vice president of New Generation Technology, as the incubator is called, after spending four years studying the local high-technology market for Israel's Ministry of Industry and Trade.

The venture was started by five Israeli Arab businessmen with their Jewish partner, Davidi Gilo, an Israeli entrepreneur who now lives in California.

The idea behind the operation was to focus primarily on fledgling Arab entrepreneurs in Israel, giving them the opportunity to research and develop their ideas by recommending them to the Trade Ministry and providing financial backing to start a business.

Despite the obstacles, the incubator is moving forward, and its first venture is a striking example of how some of the most promising new ideas spring from the traditional roots of the region.

Sobhi Sauob, an Israeli Arab from the formerly nomadic Bedouin minority, hopes to develop a better treatment for diabetes, starting from extracts derived from plants known in local folklore as herbal remedies for diabetes and other diseases.

"Because of our history of living close to the land, and our using plants and herbs from nature both as food and medicine," Sauob, who has a doctorate in biomedical engineering, said, "we know what kind of plant is good and what kind is bad."

Sauob, who comes from a small village on Mount Tavor in nearby Nazareth, was in the right place at the right time. His venture was the first promoted by the incubator to win approval from the chief scientist in the Israeli Trade Ministry.

The project will receive \$500,000 from the government, to be paid over six years, and a \$100,000 grant and full financial support from New Generation Technology for the first two years of operation. Already, test-tube and animal testing of Sauob's herbal extracts are under way. If successful, they are expected to be followed by clinical tests on humans later this year.

New Generation Technology stands out in many ways from the 23 other technology incubators in Israel.

Of the five Israeli Arabs who provided the initial financial backing, two are Nazareth building contractors, Caid Abu-Ayash and Muhammad Abed.

One, Omar Masarwa, works in agriculture; another, Tamim Yasin, is a gas retailer; and the fifth, Ahmed Dabah, is a major meat supplier in a partnership with a son of Prime Minister Ariel Sharon as the biggest Israeli sheep supplier.

Together with their Jewish partner, Gilo, they aim to give a much-needed economic boost to Israeli Arab entrepreneurs. As a group, they invested \$1 million to \$2 million in the incubator.

"Officially, the Arab citizens have equal rights as citizens in Israel, but in a practical sense this is not true," said Sharon Devir, NGT's Jewish chief executive. He said the privately owned but government-subsidized incubator was an opportunity for practical Jewish-Arab cooperation and "not just the political talk" about coexistence.

Like the company's original investors, NGT is jointly run by Jews and Arabs with a Jewish president and an Arab vice president. The clientele is a mix of Arabs and Jews, and this, the company says, gives it an edge among the 1.2 million Arabs who live in Israel.

Devir said that for Arab business owners, being able to work with both Jewish and Arab managers was a big plus. "You have a situation where you have an entrepreneur looking for funds, and in presenting their ideas, it is almost like they have to undress themselves," he said. "Trust is a big issue."

Of the 100 entrepreneurs who approached NGT with various projects since it was started last year, about 40 percent were Arabs and 60 percent Jews, Devir said. Ten projects were accepted and forwarded to the Ministry of Industry and Trade for its approval.

The ministry's chief scientist has given approval to two of the three projects it has reviewed in full. Those two - including Sauob's herbal approach to cure diabetes - were from Arab entrepreneurs, while the one that was rejected was from a Jewish businessman.