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AP Interview: Ex-Israeli leader Olmert to head multimillion dollar high-tech venture fund

By: Associated Press
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TEL AVIV, Israel — Former Israeli Prime Minister Ehud Olmert joined forces Thursday with a leading Kazakh industrialist and an Israeli entrepreneur to launch a new high-tech venture.

In an interview with The Associated Press, Olmert said he will serve as chairman of the advisory board of “Genesis Angels” — a venture capital firm focusing on early stage investment in startup companies. The firm looks toward innovations in robotics, augmented reality, artificial intelligence and other cutting edge technologies.

Olmert, who was prime minister from 2006-2009, refused to speculate about his future political plans, but he said the foray into high-tech meshed with his vision of promoting Israel as a high-tech powerhouse.

“The Israeli relative advantage in high technology is not permanent and guaranteed forever,” Olmert told the AP. “It can change if there will not be enough investments in these areas of research and development.”

Israel has earned a reputation as a “startup nation,” helping pioneer breakthroughs such as Wi-Fi technology, the computer firewall and instant messaging. The country boasts more than 3,000 high-tech companies and the world’s third largest presence on the Nasdaq stock market. Major technology companies such as Microsoft Corp., Cisco Systems Inc. and Google Inc. maintain research and development centers in Israel.

Olmert said that while he was in office, Israel invested more in R&D than any other country in the world, relative to its size.

“I think that as a country, we do not invest sufficiently in the relative advantage of Israel,” he added in a swipe at the current government.

Olmert is teaming up with Kenges Rakishev, a Kazakh businessman with interests in infrastructure, petrochemicals, shipbuilding and technology, and Moshe Hogeg, chief executive of the Mobli photo-sharing service. The company's chief adviser is Yuval Rabin, son of assassinated Israeli Prime Minister Yitzhak Rabin.

Hogeg said the fields of making information accessible, pioneered by companies like Facebook and Google, have become saturated.

"It is clear to everyone that the next layer of technology will be augmented reality, artificial intelligence and robotics," he said, but there are few venture firms targeting these areas.

"So we see a huge opportunity to invest in upcoming technologies in a very early stage right now," he said.

Rakishev, who Forbes says is worth \$225 million, said the fund hadn't yet been launched officially and already has raised "tens of millions" of dollars. The goal was far more ambitious, he said, noting that Toronto-based Forbes & Manhattan is already heavily invested.

He said if the project develops a strong track record, "I think we can go dramatically fast."

For Olmert, life as a high-tech executive marks the latest chapter since his fall from power.

Olmert was forced to resign the premiership in 2009 over corruption allegations. Since then, he has been waging a series of legal battles while considering a potential political comeback.

Olmert was cleared last year of the most serious charges against him but was convicted of helping to channel government contracts to a friend's associates and given a suspended one-year jail sentence. He faces additional corruption charges in a separate real estate case.

He has been strongly critical of his successor, Benjamin Netanyahu, for not advancing peace efforts with the Palestinians. Olmert has claimed he was close to achieving a deal with the Palestinians.

In the interview, Olmert would not discuss his future plans.

“When I didn’t run in the last election, I made it clear that I am not going to fade out from public life ... you will hear me and you will hear about me,” he said. “My views are well known and they will continue to be well known. But in the meantime, while I am not playing a formal position in political life, this is one of the areas of great interest.”