

Economist: "After MobilEye, Foreign Companies Will Set Sights on More Israeli Companies of Magical Automotive Technologies"

International hi-tech and automotive companies' pursuit of data generated by cars, which is essential for the improvement of autonomous car algorithms, will generate more acquisitions of Israeli companies.

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Car manufacturing in Israel had never gone beyond the few unfashionable models assembled in the country in the mid-1900s and the few off-road vehicles still manufactured for the Israel Defense Force. However, its reluctance to make cars has not prevented the country from turning into a thriving center of technology kits designed to be installed in vehicles, as well as mobility services, such as taxi applications.

The latest testimony to Israel's prominence in the field arrived March 13, when American chip giant Intel agreed to pay \$ 15.3 billion for Israeli MobilEye, a leader in the autonomous car technology field. With this acquisition, Intel joins other technology companies trying to overtake car manufacturers and parts suppliers in pursuit of developing the brains of future cars.

MobilEye is not the first Israeli company in the car technology field to be acquired by a foreign company. In 2013, Google had acquired road navigation app Waze for \$ 1.1 billion. Last year, Volkswagen paid \$ 300 million for a share in taxi app startup Gett (formerly GetTaxi).

Some analysts believe that Intel paid an inflated price for MobilEye. The chip giant is under pressure: its main area of business, producing chips for personal computers, is past its prime.

Possibly Intel, after mostly missing out on the transition to mobile devices, fears a similar scenario in the autonomous vehicles field, especially since its competitors are not laying low: last year Qualcomm, another chip giant, announced that it will pay \$ 47 billion for NXP Semiconductors, manufacturer of chips for cars. Meanwhile, Nvidia, mostly known for manufacturing chips for the gaming sector, is also developing chips for vehicles.

The price Intel paid for MobilEye aside, the combination of the Israeli company's expertise in cameras and mapping with the American company's chip and computing capabilities is a logical step in the landscape of heating battle for control over the autonomous car sector.

The top objective of technology companies, such as Intel and Google, is to seize the enormous masses of data generated by cars. This information is crucial for the improvement of the algorithms at the base of car autonomy. Veteran car manufacturers already enjoy access to driving data of billions of miles. Google's autonomous cars also produce data. To Intel, as well, MobilEye will provide a source for data, not only revenue and profit.

As the battle for data heats up, it makes sense both technology companies and car companies will attempt to acquire more magical Israeli automotive technologies.

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