



IATI Survey: IATI Multinational Companies Forum Survey Q4 2025



IATI MNC Forum



IATI Multinational Companies Forum Survey

As part of the IATI Annual Report: Navigating Uncertainty: Multinational Companies as Pillars of Israel's Tech Sector 2025, IATI, in collaboration with EY, conducted a comprehensive survey with more than 60 CEOs of multinational companies operating in Israel. The survey aimed to capture valuable insights into the contributions and challenges faced by MNCs within Israel's tech ecosystem, particularly in light of recent geopolitical events and market shifts.

The following section presents key findings from the survey, offering a deeper understanding of the strategies, challenges, and the crucial role these companies play in driving Israel's economic resilience and growth.

For the full report results, [click here](#).

MNCs in Israel Overview



~430

MNCs operating in Israel



~23%

Out of the high-tech work force
in Israel work in MNCs
(~2% of the general workforce in
Israel)



~90,000

High-tech employees in MNCs
in Israel

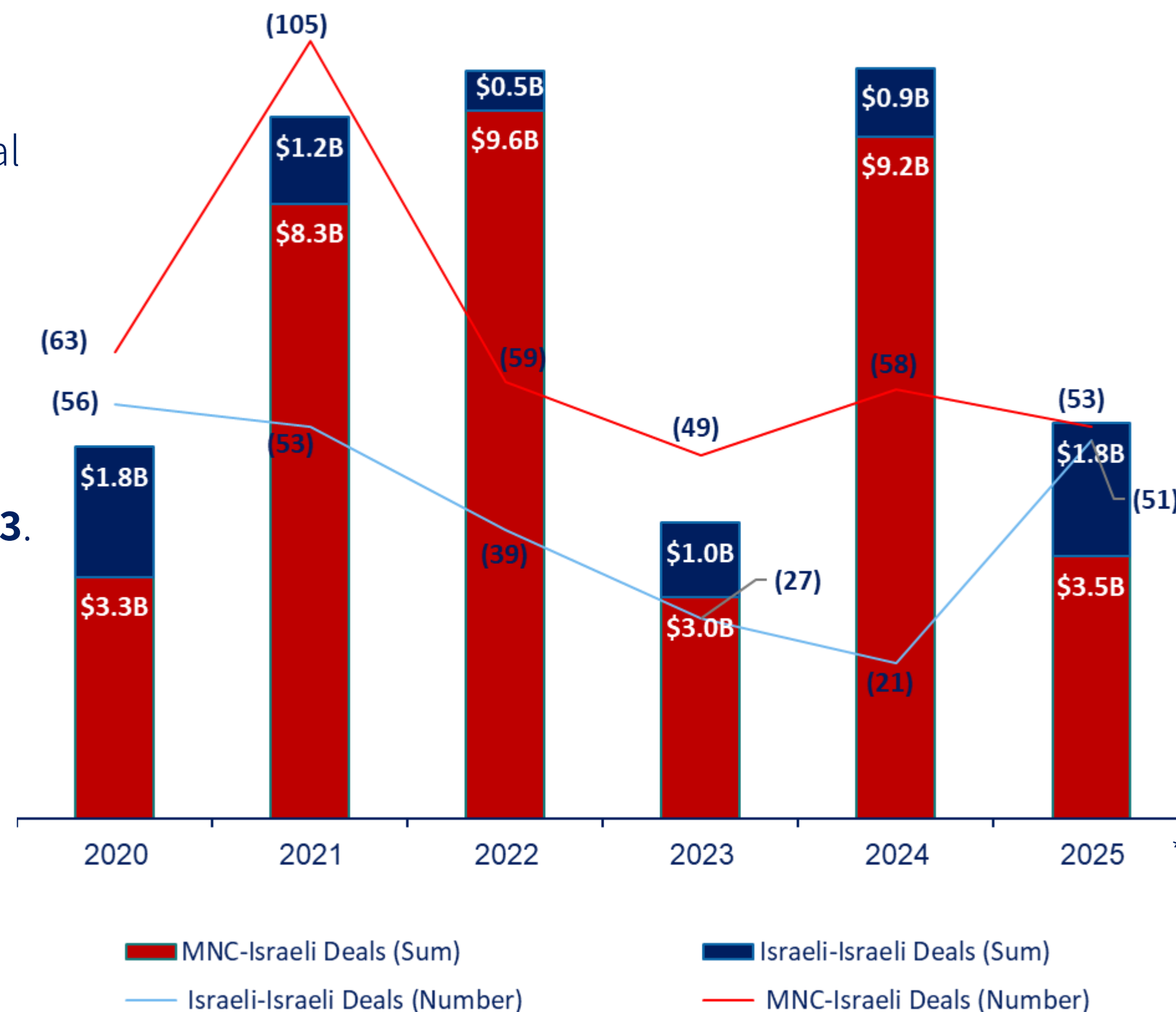
Multinational Companies: A Key Pillar of Israel's Tech Ecosystem

MNCs' contributions to the ecosystem

- MNC-Israeli deals accounted for ~80% on average of annual transaction sums (2020-Q4/2025)
- 2023 marked the lowest point for MNC-Israeli deals in the last 5 years.
- In **2024, MNCs accounted** for **91%** of the total transaction value, demonstrating an **outstanding recovery from 2023**.
- 2025 marked notable growth in Israeli-to-Israeli transactions

Deal Sum (Average, \$M)	2020	2021	2022	2023	2024	2025
Israeli-Israeli	31	22	14	37	44	35
MNC-Israeli	52	79	162	61	159	67

Total Transaction values & Number of Transactions (MNC-Israeli & Israeli-Israeli)



Iron Swords War: Uneven Impact on MNCs, Growth for Some, Decline for Others

 **Most companies (57%)** reported that the war **did not cause any change** in their business activity.

 **21%** of companies report an **increase** in business activity, with **4%** reporting a **significant increase**.

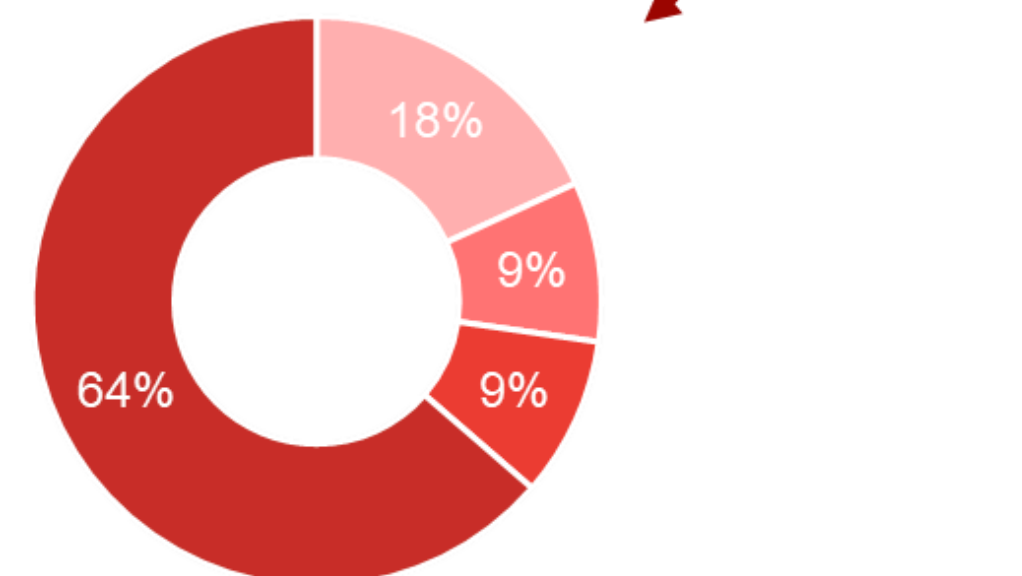
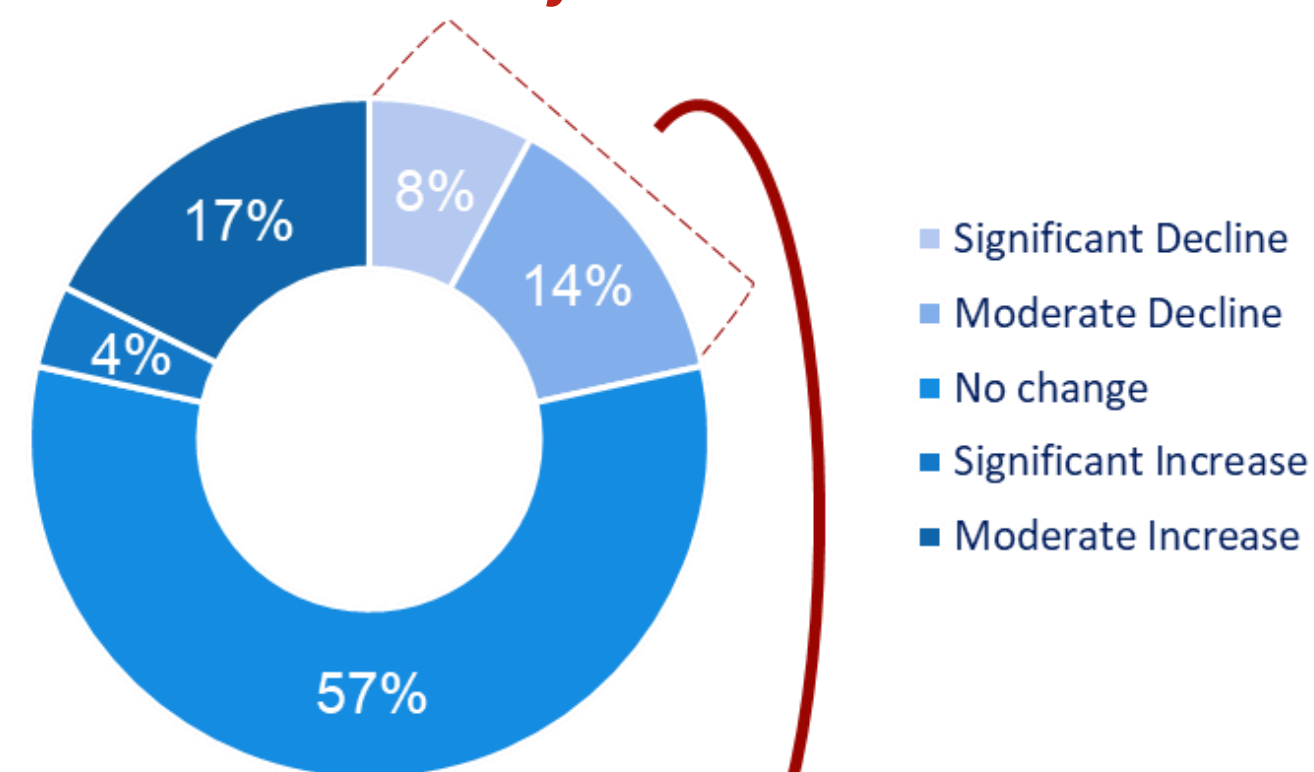
 **22%** of companies reported **reduced** business activity due to the war, with **8%** reporting a **significant decline**.

Of the companies that reported a reduction:

- ▲ **64%** expect **no** further **change** after the war
- ▲ **18%** anticipate ongoing **contraction** after the war
- ▲ **9%** expect a return to the pre-war activity levels
- ▲ **9%** predict growth beyond pre-war activity

Companies that experienced a decline largely expect stagnation, while a minority anticipate further contraction or recovery

How the Iron Swords War Affected MNC business activity in Israel?

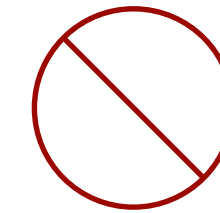


- Continued reduction of activity
- Activity will return to the state it was in before the war
- Activity will expand more than before
- No Change

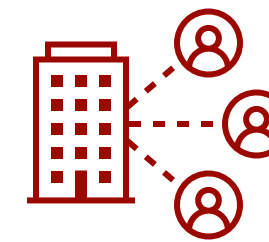
Despite War-Related Disruptions, MNCs Stay Committed to Israel

- ▲ Several R&D centers of multinational companies in Israel have closed or downsized, leading to hundreds of layoffs (eBay, ZipRecruiter, Viemo and more).
- ▲ Closures were not solely war-driven, but disconnect from global HQ, uncertainty, operational disruptions and weakened global position likely played a role.
- ▲ Despite these challenges, most **MNCs have maintained their presence in Israel** and new R&D centers have even opened, signaling continued **confidence in the local ecosystem**.

War's impact on MNCs



Disconnect from global HQ & Cancellation of Management Visits



Weakening of global position



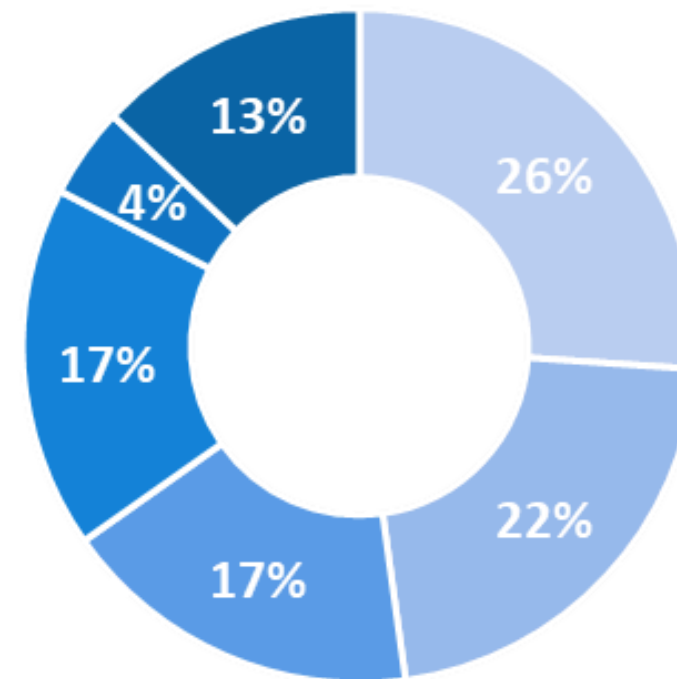
Uncertainty and Operational disruption

How the War Affected Operations of MNC Entities with Local Manufacturing?

Did local MNC Manufacturing Entities Make Significant Investments During the War?

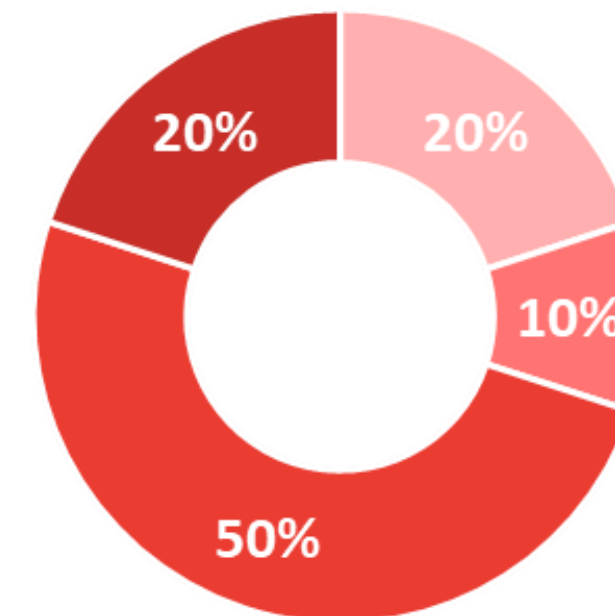
Breakdown by Investment Type (%)

- Investment in Another Company
- Investment in Technologies
- Investment in Partnerships
- Investment in Infrastructure
- Financial Investment
- No Significant Investment Made



- ▲ 87% of local MNC manufacturing entities made significant investments despite the war, signaling confidence in long-term presence.
- ▲ Top investment areas: Local/Global companies and Technologies.

Impact of the War on Business Activity of Local MNC Manufacturing Entities in Israel



- Significant Decline
- Moderate Decline
- No Change
- Moderate Increase

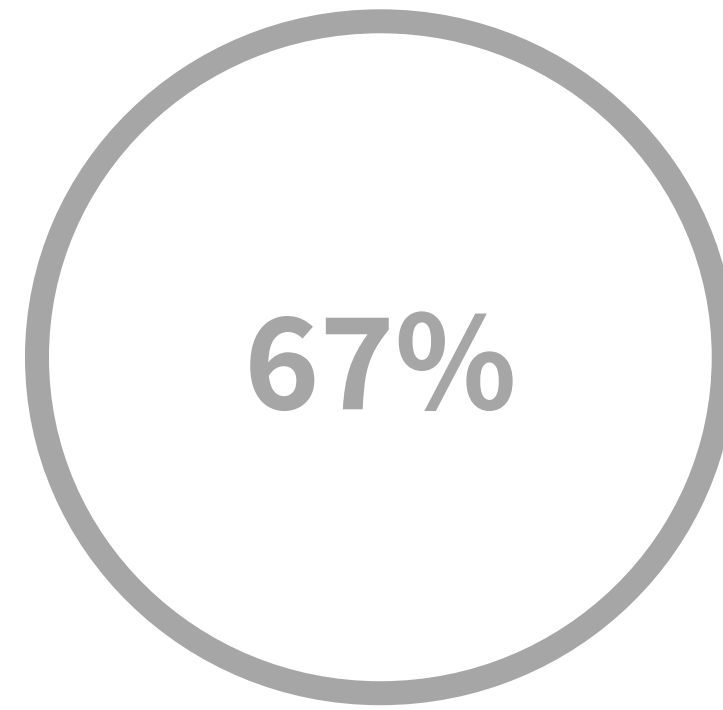
- ▲ 50% no change, showing strong operational resilience.
- ▲ 20% grew moderately, indicating opportunities even during uncertainty.
- ▲ 30% faced declines, exposing vulnerability for some entities.

- ▲ **Resilience dominates as most entities maintained or grew while investing, yet 30% declines expose strategic risks**
- ▲ **Continued investments during wartime suggest long-term strategic commitment, not short-term opportunism**

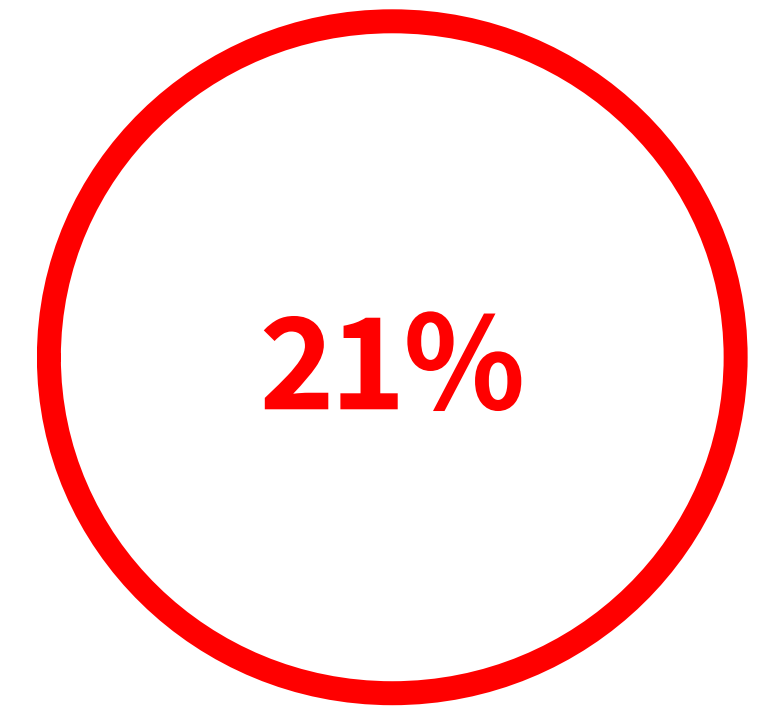
Has the MNC's Attitude Toward Israeli Entities Changed During the War?



Positive Change



No Change



Negative Change

MNCs' attitude remained largely stable, with a moderate tendency toward negative change, but without any dramatic shift.

Top 5 Significant Challenges for MNC's Local Entities

- 1** **Security Concerns and Geopolitical Uncertainty** 
- 2** **Global Competition with other MNC Centers** 
- 3** **Recruiting and Retraining Skilled Employees** 
- 4** **High Workload and Limited Resources** 
- 5** **Budget, Investments and Capital Raising** 

Positive Trend in Recruitment: Human Capital Remains Israel's Strategic Asset

Changes in talent recruitment during the war



41%

Increased Recruitment

- 14% Significantly Increased (Over 20%)
- 27% Moderately Increased (up to 20%)



39%

No Change



20%

Decline in Recruitment

▲ **Overall Trend:** Recruitment increases among MNCs in Israel exceed decreases (41% vs. 20%).

▲ Highlighting organizational resilience and continued investment in talent.

**Local human capital remains vital for Israel's tech ecosystem,
a national asset fueling innovation and growth**

Growing Relocation Trend: Employees Seeking Global Opportunities

Employee-Driven Relocation

- ▲ **Growing number of employees are requesting relocation** to global branches (53% of MNCs report increased relocation requests).
- ▲ Beyond traditional drivers, **security and geopolitical concerns have become increasingly influential, accelerating relocation requests.**
- ▲ **Rising relocation requests threaten Israel's innovation engine**

Relocation factors increasingly influential in the last two years

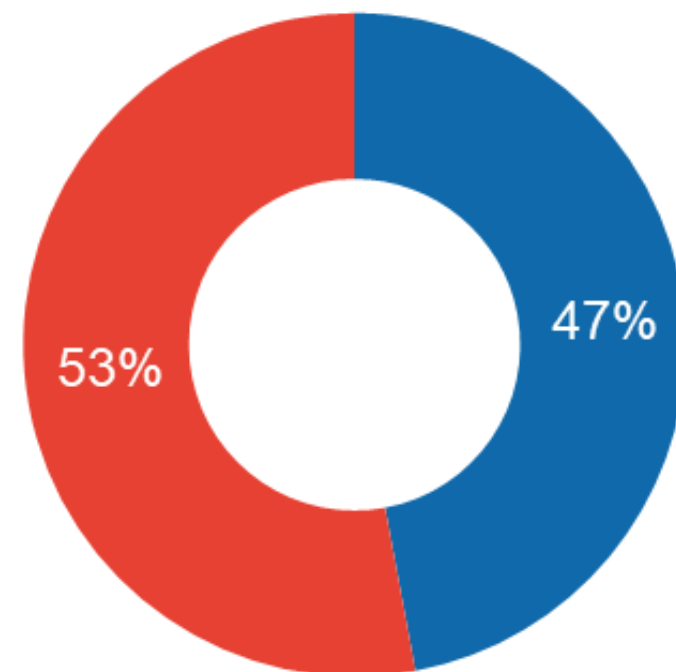


Geopolitical climate



Personal Safety & Security concerns

Relocation Requests in MNCs



■ No Change ■ Increased

AI as a Strategic Enabler: Strong Uptake among MNC Local Entities

All companies surveyed have adopted AI solutions over the past 2 years



61%

Extensive
Adoption

39%

Moderate
Adoption

Changes in talent recruitment due to AI implementation



14%

Increase in
Recruitment

78%

No Change

8%

Decline in
Recruitment

- ▲ Growing importance of AI as a strategic component of business operations and innovation.
- ▲ Companies see AI as a key driver for improving processes, making decisions and driving competitive advantage.
- ▲ AI is seen as a primarily tool for improving internal processes and not as a replacement for existing human resources.

MNCs as Pillars of Israel's Tech Ecosystem — Resilience and Adaptation Under Wartime Conditions

MNCs' Business Activity & Commitment

- The **Israeli tech market rebounded rapidly** after Q4 2023, led by MNCs that anchored the recovery and demonstrated long-term investment and commitment — even under fire.
- **Invisible damage.** MNCs may choose other locations over Israel, with effects that remain under the radar.



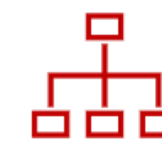
Impact of the War on Local Operations

- **Most MNCs maintained or grew activity, but operational disruptions** and uncertainty led some sectors and companies to irreversible changes, including scaling down or closing local operations.
- **Recruitment** trends remained **positive, but a rise in relocation requests** signals a potential drain on local talent and IP.



Global HQ Approach & Local MNC entities Challenges

- For most MNCs, HQ attitude remained stable, but in some cases, disconnect and reduced engagement risk weakening the local entity's positioning versus global peers.



Fostering incentives for MNC is essential to securing and expanding their presence in Israel, driving meaningful growth and strengthening the entire local ecosystem

Key Conclusions from the IATI Multinational Companies Forum Survey

-  **Business Stability with Sector-Specific Variability**
While most companies maintained stable operations during the war the impact was unevenly distributed. A nearly equal split between companies reporting a decrease and those seeing an reporting in activity, indicating sector-specific impacts.
-  **Concerns of Stagnation Among Affected Companies**
Among companies reporting a decline in activity, 64% do not expect a post-war recovery. Furthermore, some anticipate a further contraction compared to pre-war levels.
-  **Clear Competitive Advantage in Innovation and Problem-Solving vs. Operational Weakness and Global Strategic Impact**
Israeli branches demonstrate a clear competitive advantage in innovation, problem-solving, and adaptability. However, they are perceived as weaker in operational capabilities and global strategic contribution (cited by only 20 out of 51 companies).
-  **Positive Trend in Recruitment with Increased Relocation Requests**
Recruitment remains resilient, with 41% of companies increasing hiring, 39% maintaining stability and 20% reported a decline, reflecting that local human capital remains a valuable resource. Despite this, 53% of companies reported a rise in employee relocation requests. This growing interest in moving abroad poses a significant risk to talent retention and the local innovation ecosystem.
-  **AI Adoption as a Strategic Component with Future Impact on Workforce**
All surveyed companies have adopted AI technologies, with most reporting significant contributions to organizational innovation and competitive advantage. While the impact on recruitment policies is still limited, there is an emerging trend indicating future changes in workforce structure as AI technologies deepen and become more integrated.