



משרד האוצר
Ministry of Finance



**The Chief
Economist**

2024 | Foreign Investments

Israel and Globally





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The following is a summary of foreign direct investment (FDI) data in Israel and globally in 2024, based on a report published by the Chief Economist's Department at Israel's Ministry of Finance.

Global FDI Inflows

Global Foreign Direct Investment (FDI) inflows totaled USD 1.25 trillion in 2024, a 5% decrease compared to 2023, which recorded USD 1.31 trillion. Total inflows in 2024 were 19% lower compared to the values recorded in 2022, when FDI inflows reached USD 1.5 trillion, meaning global FDI inflows declined in 2024, but at a slower rate.

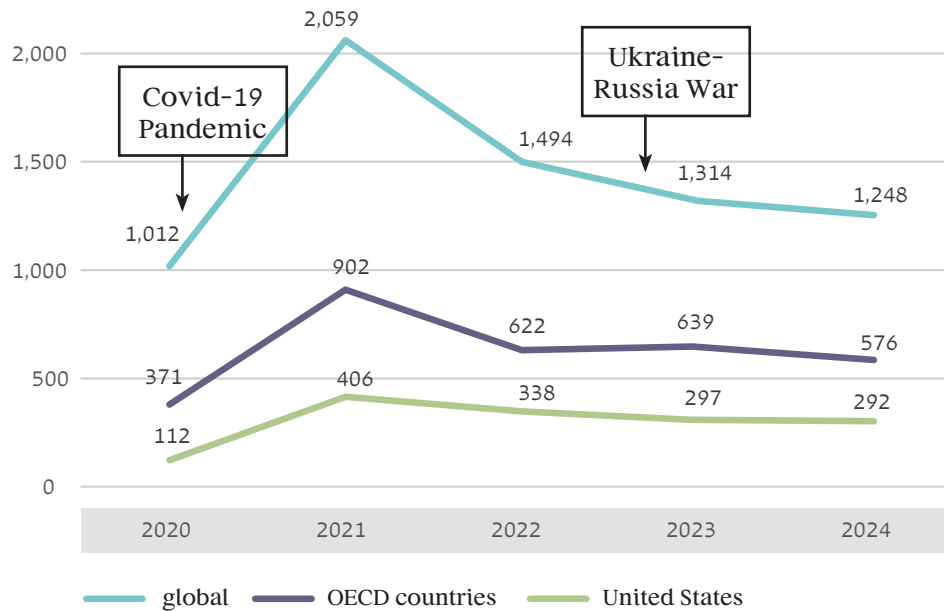
Inflows into the OECD were 10% lower in 2024 with USD 576 trillion compared to USD 639 trillion in 2023. This decline was driven by a range of factors, including heightened geopolitical tensions, uncertainty surrounding the regulatory environment, and persistent inflationary pressures.

While some economies saw substantial growth in inflows such as Australia (+52%) and Canada (+34%), others experienced significant declines, particularly Germany (-90%), China (-64%), and Japan (-38%).¹

1 OECD (2025), "FDI in Figures, October 2025", OECD Publishing, Paris, https://www.oecd.org/en/publications/fdi-in-figures-october-2025_57d0218c-en.html. Accessed on November 2nd, 2025.

Chart 1 | FDI Inflows Worldwide, 2020-2024 (Billion USD)

Decline in global investment volumes

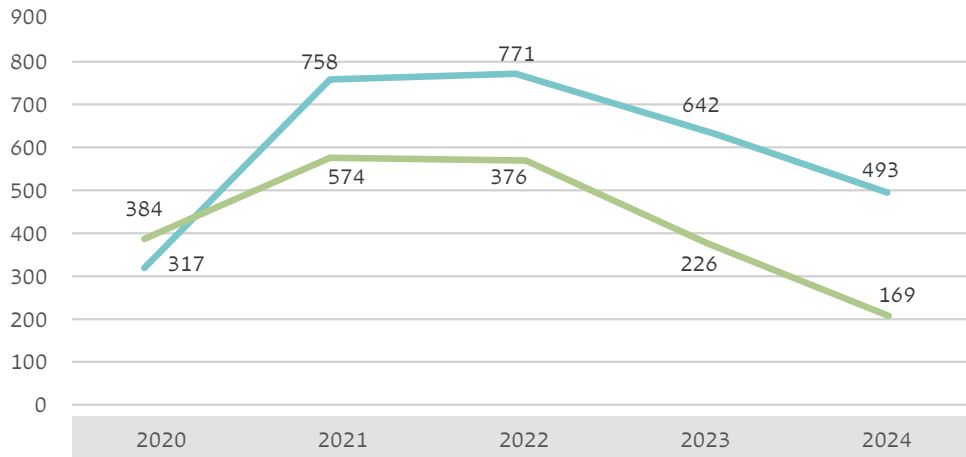


Source: based on OECD FDI database.

FDI inflows to G20 economies dropped by 25%, a relatively sharp decline compared to the 5% decrease in global FDI inflows. Following a marked surge in FDI across all G20 economies in 2021, subsequent trends have highlighted a growing divergence: non-OECD G20 countries faced a steep and sustained decline, with inflows dropping by 71% between 2021 and 2024. In contrast, OECD-member G20 countries experienced a more moderate decrease of 35%. Despite these reductions, FDI inflows to OECD members within the G20 remain considerably higher than those to non-OECD members, likely reflecting investors' preference for markets perceived as safer amid periods of regulatory and geopolitical uncertainty.²

² OECD (2025), "FDI in Figures, October 2025", OECD Publishing, Paris, https://www.oecd.org/en/publications/fdi-in-figures-october-2025_57d0218c-en.html. Accessed on November 2nd, 2025.

Chart 2 | FDI Inflows, G20 Countries, 2020-2024 (Billion USD)



Source: based on OECD FDI database.

FDI Inflows into Israel – OECD FDI Database

Foreign direct investment (FDI) inflows into Israel decreased by 9% in 2024, totaling USD 14.8 billion, compared with USD 16.2 billion in 2023. This decline is broadly in line with the overall reduction in FDI inflows recorded across OECD member states during the same period (10%). Notably, despite the ongoing war, the contraction in Israel's inflows was less pronounced than that observed in the G20 economies, which experienced a 25% decline over the corresponding period.

The fourth quarter of 2023 and the first quarter of 2024 represented some of the weakest periods for foreign direct investment in the past three years, with inflows amounting to USD 2.0 billion and USD 1.6 billion, respectively. These figures stand in contrast to the corresponding quarters of 2022 and 2023, which recorded inflows of USD 8.3 billion and USD 3.4 billion. Nevertheless, as shown in Chart 3.2, investment activity exhibited a gradual recovery over the remainder of 2024, although inflow levels continued to reflect a more moderate pace relative to the peaks observed in previous years.³

³ OECD (2025), "FDI in Figures, October 2025", OECD Publishing, Paris, https://www.oecd.org/en/publications/fdi-in-figures-october-2025_57d0218c-en.html. Accessed on November 2nd, 2025.

Chart 3.1 | FDI Inflows to Israel, 2020-2024 (Million USD)

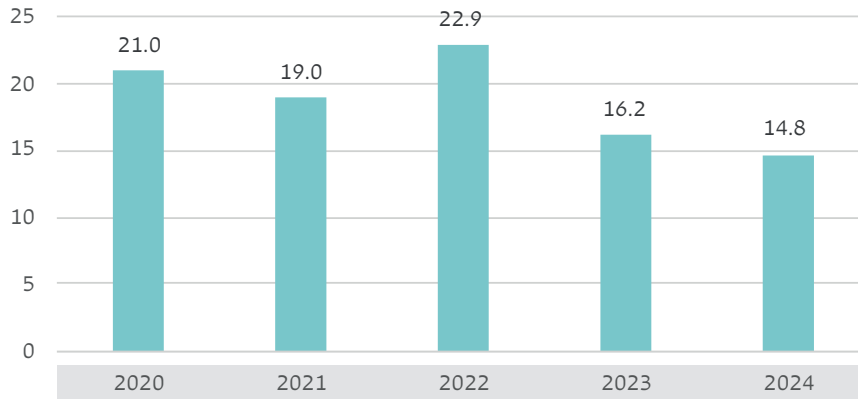
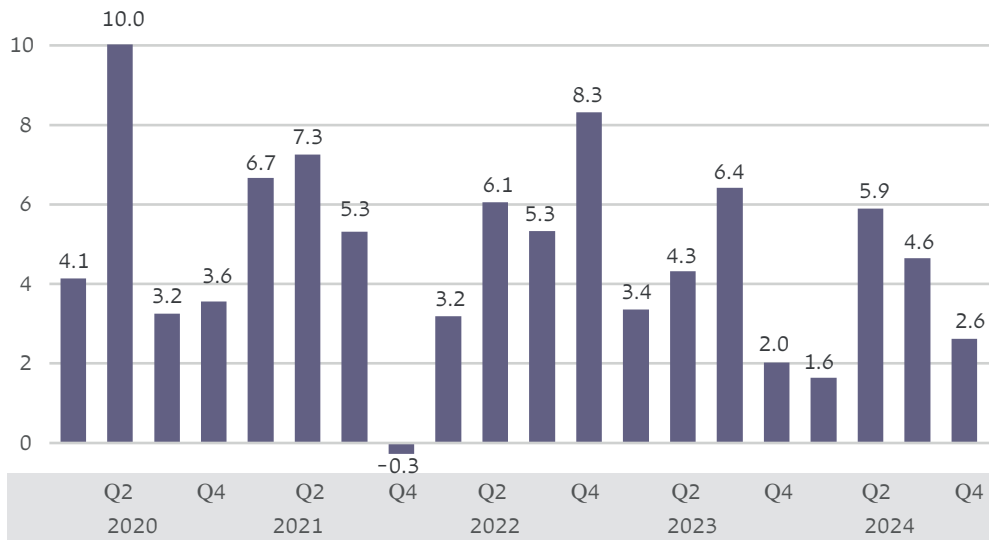


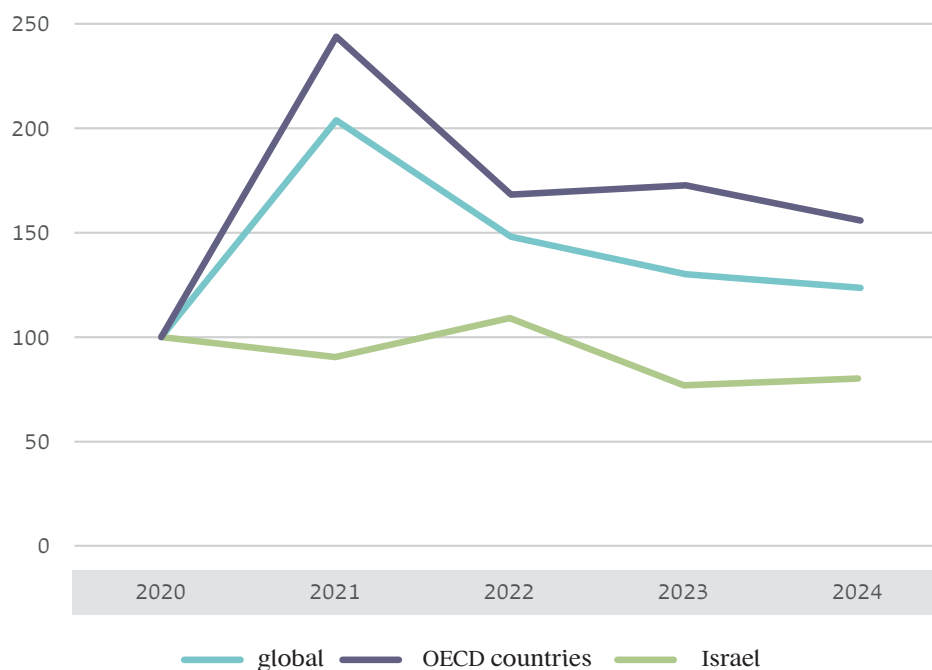
Chart 3.2 | FDI Inflows to Israel, by Quarter, 2020-2024 (Million USD)



Source: based on OECD FDI database.

Investment activity in Israel remained relatively stable until 2022, in contrast to the trends observed in both OECD countries and global markets, as shown in Chart 4. While OECD economies and global markets experienced a sharp increase in investment in 2021, followed by a gradual decline, Israel's investments demonstrated relatively low volatility, suggesting that FDI in Israel was less influenced by global fluctuations. However, from 2023 onwards, a notable decline in investment activity was observed in Israel, mirroring trends in both global markets and OECD countries.

Chart 4 | Global FDI Indexed, (2020=100), 2020-2024



Source: based on OECD FDI database.

The First Half of 2025

Foreign Direct Investment Inflows - OECD Data

According to OECD FDI data, FDI inflows into Israel in the first half of 2025 totaled USD 10.2 billion, marking the strongest half-year since 2021, when inflows reached USD 14 billion. This represents a 35% increase compared to the corresponding period in the previous year, when incoming investment flows amounted to USD 7.5 billion.⁴

At a global level, FDI inflows in the first half of 2025 totaled USD 697 billion, reflecting a 15% increase compared to the first half of 2024. Among OECD countries, FDI inflows reached USD 320 billion in the same period, marking a 30% rise compared to the corresponding period in 2024. Despite these increases, the outlook for 2025 remains uncertain, as rising trade restrictions, renewed inflationary pressures, and heightened fiscal risks may weigh on economic stability and activity.

⁴ OECD (2025), "FDI in Figures, October 2025", OECD Publishing, Paris, https://www.oecd.org/en/publications/fdi-in-figures-october-2025_57d0218c-en.html. Accessed on November 2nd, 2025.

Foreign Investment Transactions Data

According to data from the Chief Economist's Department, foreign investment transactions into Israel reached USD 10 billion in the first half of 2025, reflecting a 15% decline relative to the corresponding period in 2024. A similar downward trend was observed in the number of transactions, which fell by 17%.

However, the first half of 2025, the largest acquisition deal (which does not fall under the definition of FDI) in Israel's history was announced, with the purchase of WIZ for USD 32 billion. Improving regional stability is expected to provide more favorable conditions for foreign investors and may support an increase in investment activity during the remainder of 2025.

FDI as a Share of GDP

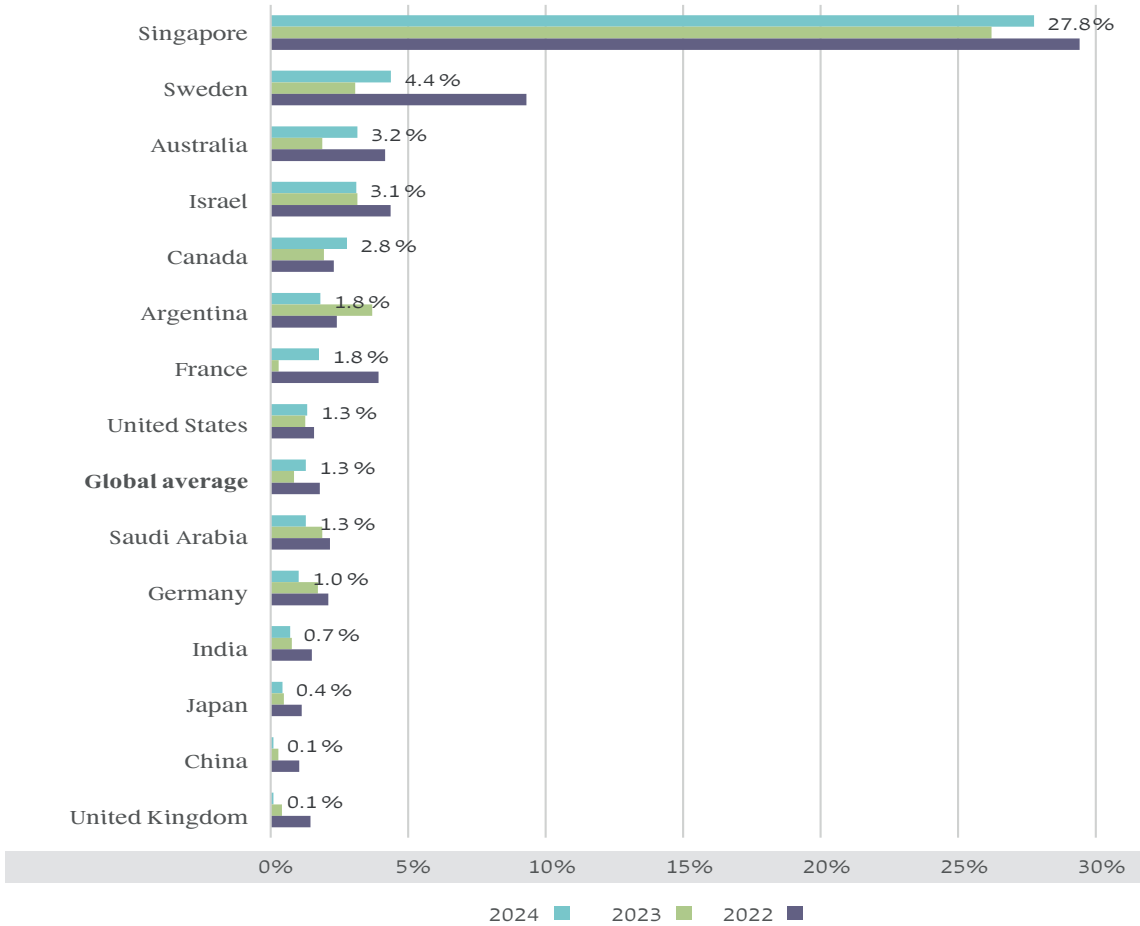
FDI as a share of GDP acts as a key indicator to the degree of integration of economies into global investment flows. It offers insights into the level of foreign capital involvement, highlighting an economy's appeal to international investors, its openness to global markets, and its potential to foster growth through capital inflows. However, overdependence on foreign capital risks may expose countries to external vulnerabilities, particularly when investments are concentrated in specific sectors or originate from a limited number of source countries.

Singapore dominates this indicator by a substantial margin, with FDI comprising 28% of its GDP. Israel, Sweden, and Australia have sustained relatively high levels of investment, with FDI accounting for around 3-4% of GDP, consistent with previous years. In contrast, countries such as Germany, India, Japan, China, and the United Kingdom recorded considerably lower ratios, ranging from 0.1% to 1% of GDP, as shown in Chart 5.⁵

⁵ World Bank Database, Indicator: FDI, Net Inflows (% of GDP), [Foreign direct investment, net inflows \(% of GDP\) | Data](#). Accessed on July 9th, 2025.

Chart 5 | Foreign direct Investment, Net Inflows (% of GDP)

Israel Ranks Among Top Countries in FDI as a Share of GDP



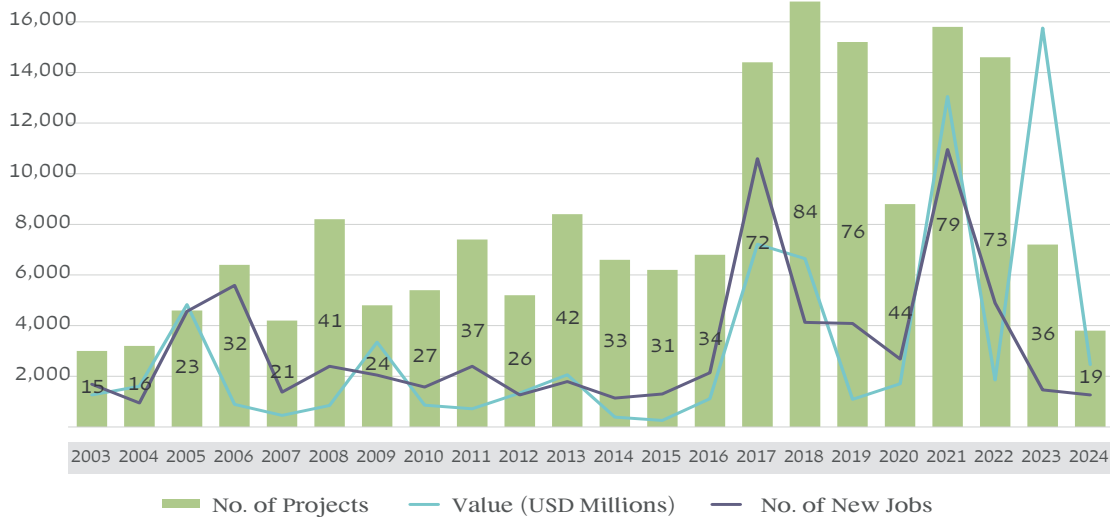
Source: World Bank database, Ministry of Finance adaptations.

Greenfield Investments into Israel

In 2024, Israel recorded merely 19 greenfield investment projects, the lowest figure in two decades. Over the years, the number of greenfield projects has shown significant volatility, with peak activity in 2018, when 84 projects were recorded. Since then, a gradual decline has been observed, potentially reflecting security challenges and broader shifts in the global investment landscape.

Most greenfield investments in Israel in 2024 were concentrated in the energy sector (natural gas), accounting for 81% of total greenfield investment value (USD 1.98 billion). The renewable energy sector represented 15% (USD 362 million), while other sectors, including consumer goods, food and beverages, real estate, and services, collectively accounted for less than 5% of total investment.

Chart 6 | Number of Greenfield projects in Israel, value of projects, and number of jobs, 2003-2024



Source: FT fDi Markets database, Ministry of Finance adaptations.

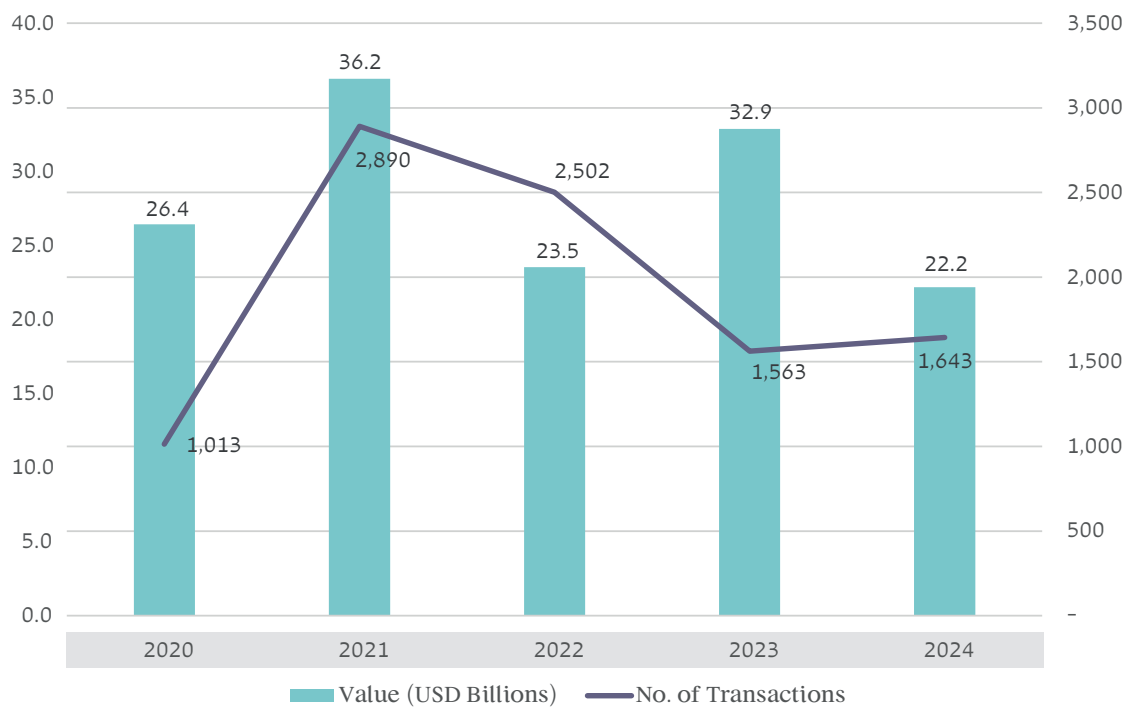
Tracking Foreign Investment Transactions into Israel

The Chief Economist Department at the Ministry of Finance manages a database of foreign investment transactions on Israeli companies and ventures. The database, established following Resolution B/372 of the Ministerial Committee for National Security Affairs, operates since 2020. The data collected in this database differs from FDI flows (which are collected and published by Israel's Central Bureau of Statistics and Bank of Israel), and is based on publicly announced transactions in which a transfer of equity or control from a foreign entity to an Israeli company occurs. While official FDI data refers to transactions involving the acquisition of at least 10% ownership in a company, the Chief Economist's database records smaller-scale transactions as well.

According to the foreign investment transactions database of the Chief Economist's Department, the value of foreign investment transactions into Israel declined by 33% in 2024 with USD 22.2 billion, compared to USD 32.9 billion in 2023. However, excluding Intel's significant transaction in June 2023, valued at USD 15 billion, there was a 24% increase in total investment volume in 2024 relative to the previous year. Despite the ongoing war, total value of foreign investment transactions in 2024 was only approximately USD 1 billion lower than in 2022.

The number of foreign investment transactions increased by 5% compared to 2023, although it remains below the peak levels of 2021 and 2022. These years were exceptional globally, driven in part by a surge in high-tech sector investments following the COVID-19 pandemic. While the total value of investments in 2024 was approximately USD 1 billion lower than in 2022, the number of transactions declined by roughly 900, suggesting an increase in the average transaction value. This may reflect a reduction in the number of investors or individual investment deals.

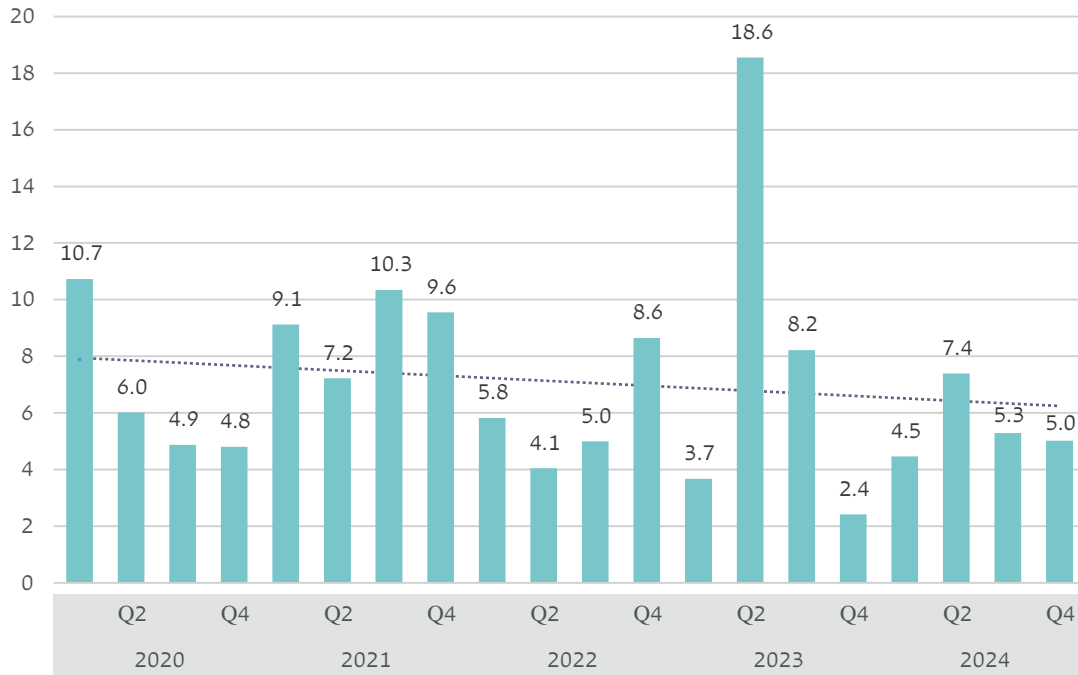
Chart 7 | Number and Value of FDI Transactions in Israel, 2021-2024



Source: Chief Economist's Department Database.

On a quarterly basis, 2024 began with a slight increase in FDI compared to the end of 2023, reaching USD 4.5 billion in the first quarter, up from USD 2.4 billion in the final quarter of 2023, which marked the annual low due to the ongoing war. This upward trend continued into the second quarter of 2024, with a significant rise to USD 7.4 billion. Although FDI levels in the third and fourth quarters of 2024 declined to USD 5.3 billion and USD 5.0 billion, respectively, these figures remain relatively strong, aligning closely with quarterly FDI levels observed in 2022 and 2023. These trends suggest a degree of stability and a gradual return to pre-war investment levels.

Chart 8 | Value of Foreign Investment Transactions in Israel, 2020-2024 (Billion USD)

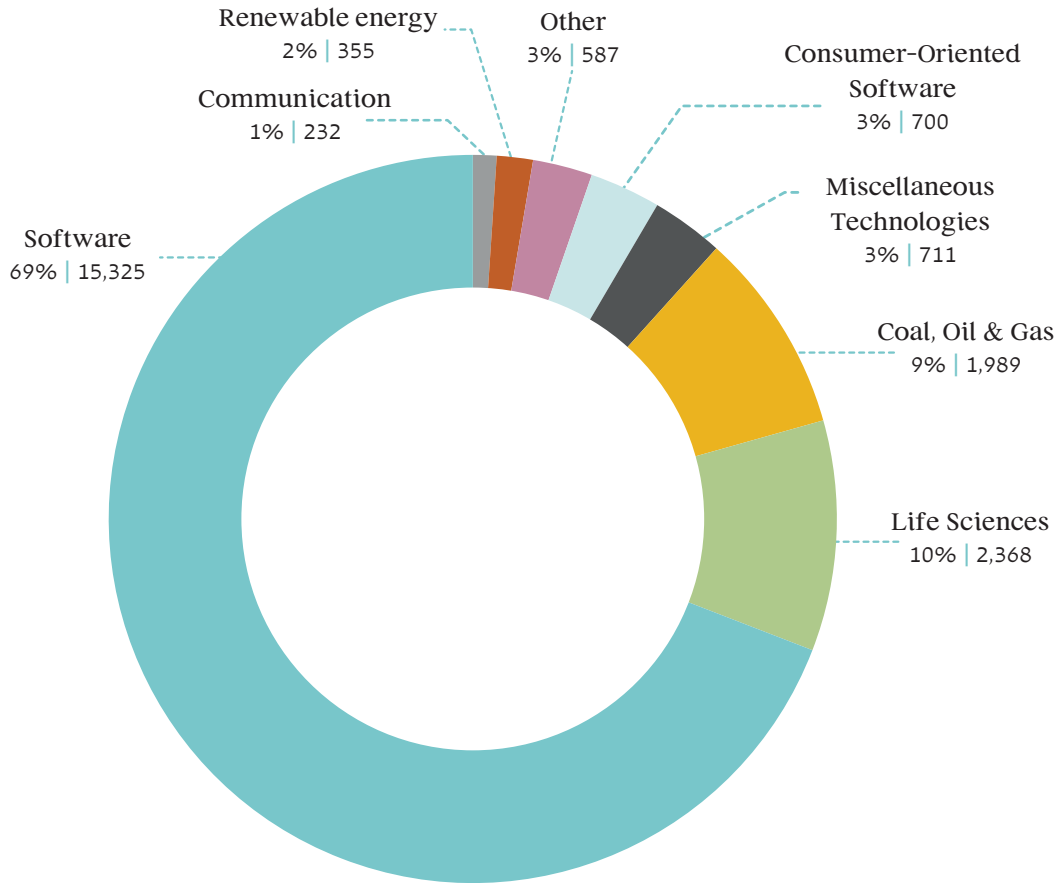


Source: Chief Economist's Department Database.

Transaction by Sector

In 2024, Israel's FDI continued to be predominantly concentrated in the software sector, which accounted for 70% of total investment value. This sustained dominance underscores Israel's comparative advantage in innovation and technology, particularly in high-tech industries. Significant investments were also observed in the life sciences sector, including biotechnology, medical equipment, and pharmaceuticals, which together represented 10% of the total FDI. The traditional energy sectors, including oil, gas, and coal, accounted for an additional 10%, reflecting a diverse but concentrated sectoral composition in Israel's investment landscape. While the concentration of investments in a limited number of sectors highlights Israel's global position in technology and innovation, it also introduces potential exposure to sector-specific risks, particularly if broader market shifts or technological disruptions occur.

Chart 9 | Leading Sectors by Investment Transaction Value
(Million USD, Percentage of Total 2024)
High concentration of foreign investments in the software sector



Source: Chief Economist's Department Database.

Transactions by Source Country

In 2024, the United States remained Israel's principal source of foreign investment, with total inflows amounting to USD 13.7 billion, constituting 62% of all foreign investment received during the year. This proportion is broadly consistent with the share recorded in 2022 (65%), though lower than that of 2023 (73%), the latter being influenced in part by Intel's substantial USD 15 billion investment.

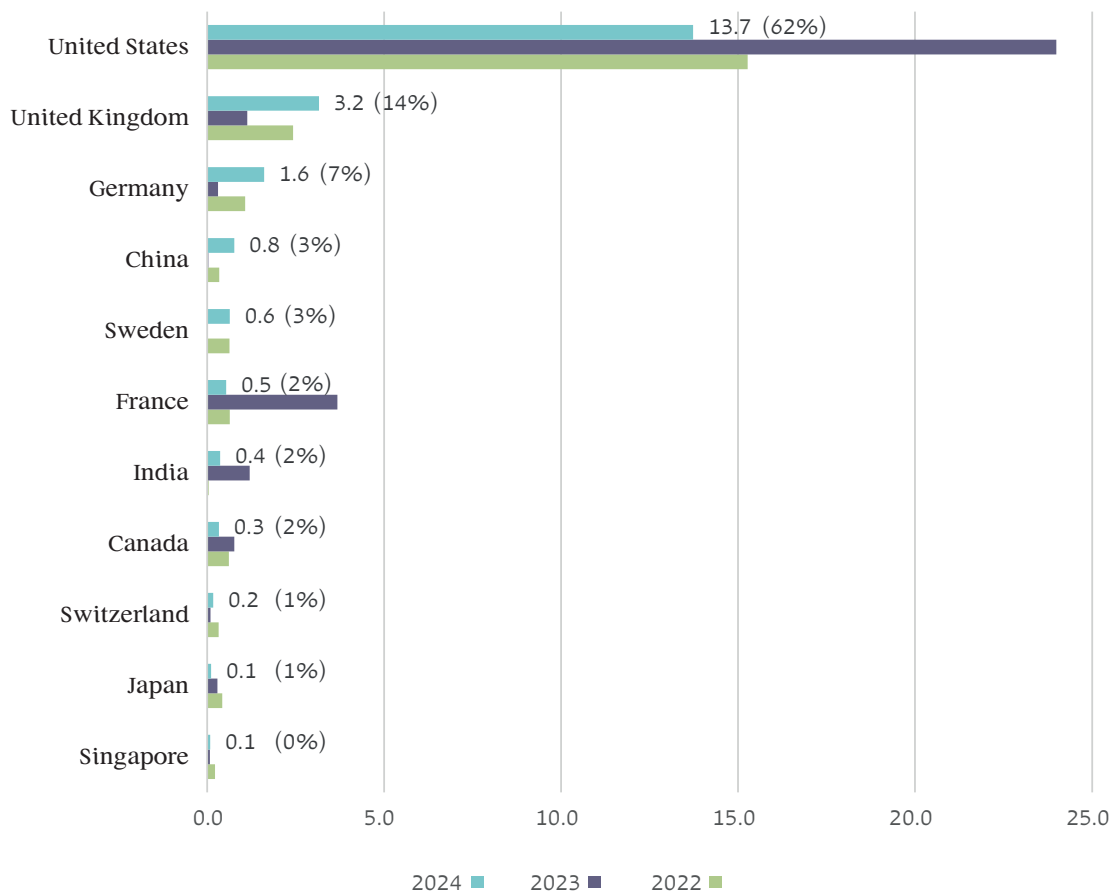
Several countries recorded notable increases in their investment share in 2024. The United Kingdom demonstrated significant growth, driven primarily by a major greenfield investment

by the British company Energean, valued at approximately USD 1.9 billion. Germany likewise expanded its presence, largely following SAP's acquisition of WalkMe in a merger and acquisition transaction valued at USD 1.5 billion. In addition, the Chinese company Playtika acquired Superplay in a deal valued at USD 0.7 billion.

Sweden maintained a stable investment share of 3%, while countries including India (2%), France (2%), and Canada (2%) continued to contribute modest yet steady investment flows. In contrast, Japan, Switzerland, and Singapore recorded low levels of investment during 2024.

Chart 10 | Value of Foreign Investment Transactions in Israel by Country, 2022-2024 (Billion USD)

The US continues to be the main source of investments in Israel



Source: Chief Economist's Department Database .

Investment Promotion and Protection Agreements in Israel

The Ministry of Finance is advancing the conclusion of Bilateral Investment Promotion and Protection Treaties (BITs) as well as investment chapters in Free Trade Agreements (FTAs) to further strengthen Israel's position as a destination for foreign investment, while safeguarding the interests of Israeli investors abroad. Israel currently maintains over 40 bilateral investment promotion and protection agreements including with Ethiopia (2003), Japan (2017), the United Arab Emirates (2020) and the Philippines (2022).

Most recently in September 2025, the Finance Ministers of Israel and India signed a new Bilateral Investment Agreement. The new agreement supports the promotion of mutual investments between the parties, while providing certainty and protection for investors, and will contribute to expanding the scope of trade and investment between the countries. The agreement replaces the old agreement signed between the countries in 1996, which was terminated in 2017.

India is currently ranked as the world's fourth-largest economy and is projected to maintain robust growth, according to the International Monetary Fund (IMF) and other international financial institutions. OECD forecasts indicate that India's economy is expected to expand by 6.3% in 2025 and 6.4% in 2026. Private consumption is anticipated to strengthen progressively, while private investment is expected to increase, supported by substantial public infrastructure initiatives and recent monetary easing. By 2030, India is projected to become the world's third-largest economy, with an estimated annual GDP of USD 7.5 trillion. India constitutes a strategic political and economic partner for Israel, with considerable potential for deepening bilateral trade and investment ties.

For inquiries please contact: iia@mof.gov.il

This document is a shortened version of the report published on the Israeli Ministry of Finance's website in Hebrew.



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