

New Report: Israel's Climate Tech Sector Resilient with Nearly 1,000 Companies & Global Backing Despite Investment Drop

Israel Innovation Authority and PLANETech's report shows a resilient ecosystem: startups launched amid war, sustained global investment, and public support

JERUSALEM, ISRAEL, May 4, 2025 /EINPresswire.com/ -- The Israel Innovation Authority, together with PLANETech, has released the 2024 - 2025 Climate Tech Status Report, offering a recent comprehensive overview of Israel's climate tech innovation sector.

Despite significant global investment declines, the report illustrates how Israel's climate tech ecosystem has demonstrated remarkable resilience, sustained growth, and strong international trust.



Dror Bin, CEO, Israel Innovation Authority

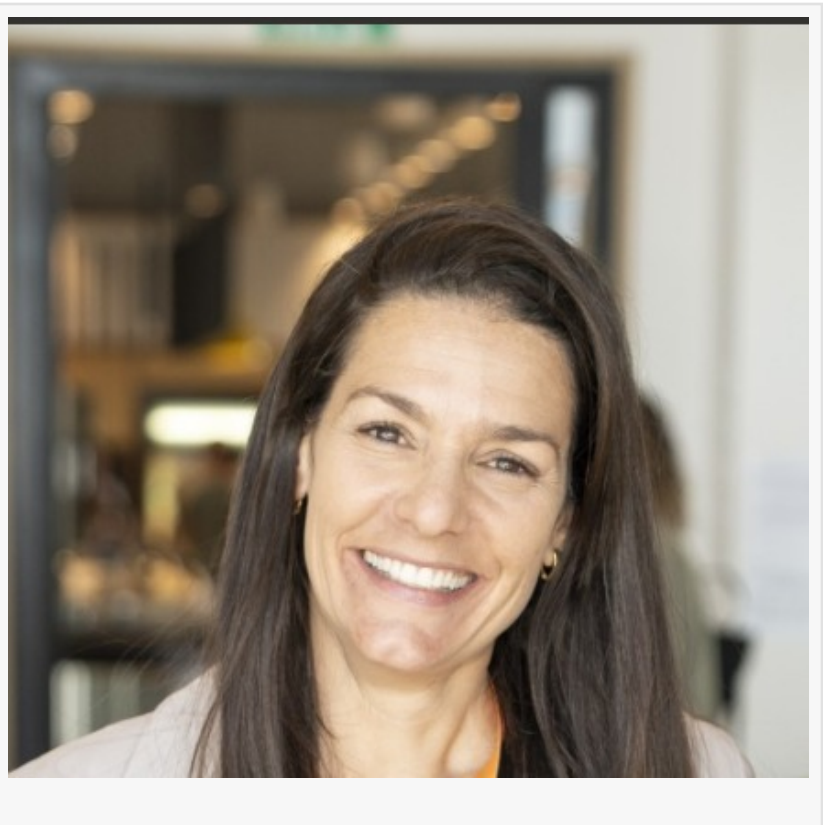
Although investments in Israel's climate tech sector dropped by approximately 39%, from \$1 billion in 2023 to \$613 million in 2024, closely mirroring the global 41% decline, the sector maintained relative stability with 946 active companies, including 49 newly established within the past year. The number of funding rounds also decreased by 33% (from 135 to 90), yet over 90% involved international investors, highlighting continued global confidence.

Presenting a nuanced yet encouraging picture, the report reads how approximately 58% of Israeli climate tech startups are in the Pre-Seed and Seed stages, underscoring significant future growth potential.

The Israel Innovation Authority increased its investments, reaching a record \$105 million in 2024,

out of a total of \$257 million over the past three years. In addition, Israeli companies secured €105 million in Horizon Europe grants between 2021–2023. The report positions Israel as a stable, active ecosystem with strong international trust, even amidst security and economic crises. Since 2018, Israeli climate tech companies have collectively raised an impressive \$9.5 billion.

Dror Bin, CEO of the Israel Innovation Authority: "Climate tech is not just a response to the climate crisis - it is a frontier of innovation that will shape tomorrow's economy. Especially against the backdrop of a challenging security and economic environment, the data in the report highlights the



resilience of Israel's ecosystem: even as global investments sharply decline, Israel maintains relative stability, continues to establish dozens of new companies, and enjoys sustained international trust. Over 90% of investments involve foreign partners - a clear message of global confidence in Israeli innovation. We are committed to providing early-stage companies with the tools, funding, and access to expertise they need to establish themselves, grow, and make an impact - both in Israel and around the world."

Rotem Trivitsky, Director of PLANETech – the Climate Tech Community of the Israel Innovation Institute and the investment Group CBG (Consensus Business Group): "Despite the complex security situation, Israel's climate tech ecosystem continues to demonstrate exceptional resilience, and to grow even during times of uncertainty," said "In a world where the climate tech sector is grappling with challenges of growth and maturity, this resilience is exactly what is needed to achieve a real breakthrough. Now is the time to rally additional players such as government, industry, investors, and academia to support startups and seize the new opportunities the ecosystem offers."

Three Key Trends Highlighted in the Report

1. Global Positioning and Investment Trends

Climate technology has emerged as one of the fastest-growing sectors in the global technology landscape, attracting investments totaling \$32 billion in 2023. Industry forecasts indicate this sector may expand to a remarkable \$2 trillion by 2030, representing approximately 1–2% of global GDP.

Israel shows a strong presence on the international stage:

- In 2023, climate tech investments accounted for 14.5% of total tech investments in Israel. In 2024, the share declined to 6.4% but reflects continued confidence in the sector.
- The number of climate-tech funding rounds in Israel decreased from 135 in 2023 to 90 in 2024, yet notably, over 90% of these investment rounds included international investors, highlighting global trust and engagement.
- Today, Israel hosts over 50 dedicated venture capital funds and several family offices focusing on climate-tech investments, marking a significant increase from fewer than 10 such entities in 2021.
- In 2024, at least 10 international venture funds conducted repeated investments in Israeli climate-tech startups, underscoring a strong commitment from global investors.
- Corporate venture capital (CVC) involvement continues to expand, with active investment participation from global corporations including Microsoft, Volkswagen Group, Doral Group, and Ormat Technologies.
- Large-scale investment rounds (exceeding \$10 million) numbered 25 in 2023 and 14 in 2024, with notable momentum observed in early-stage deep-tech initiatives, particularly those nurtured through the technological incubators supported by the Israel Innovation Authority.

2. Israel's Climate Tech Ecosystem: Innovation and Public Investment

The report attributes the sector's success, among other factors, to significant public investment and an active ecosystem:

- Since mid-2023, 49 new startups have been founded, with 27% focusing on advanced food technologies, and 10% each on smart agriculture and food waste reduction.
- Nearly 25% of the new companies have already raised a total of \$15.36 million in investments.
- The Israel Innovation Authority invested \$257 million over the past three years, including \$105 million in 2024 alone.
- Israeli companies also secured €105 million in funding through the Horizon Europe program, demonstrating strong international confidence in the Israeli ecosystem.

3. Resilience Amid Geopolitical and Economic Challenges

Israel's climate tech sector is not merely surviving challenges, but also growing through them:

- The sector has continued to expand despite macroeconomic uncertainty and the war that began on October 7, which impacted supply chains and workforce availability.
- 58% of companies are at early Pre-Seed and Seed stages, indicating ongoing growth and the emergence of new startups.
- 18% of companies have advanced to later-stage fundraising, Series A and beyond, reflecting maturation and plans for further growth.
- The ecosystem maintained stability through the second half of 2023 and into 2024, demonstrating strategic recovery and adaptability.

Thanks to international collaborations, growing investor maturity, and broad public support, Israel continues to lead the climate innovation revolution, proving that even small countries can spearhead global solutions to the climate crisis.

The Israel Innovation Authority and PLANETech will also host a dedicated webinar on May 4, 2025, at 12:00 PM (IST). The webinar will be conducted in Hebrew. To register:

<https://innovationisrael.org.il/event/climatereport24/>

Raoul Wootliff
N10S
546921720
[email us here](#)

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