

The Israeli Space Tech Ecosystem 2026

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INTRODUCTION



Dr. Shimrit Maman
Chair, Israeli Space Agency

Space is no longer defined solely by distance, altitude, or exploration. It is defined by connection, resilience, and impact. In 2025, the Israeli space ecosystem demonstrated once again its ability to turn bold ideas into operational reality, transforming vision into capability and innovation into sustained national and global value.

This report captures the trends, signals, and meaningful data emerging from a year marked by pioneering developments across satellites, launch readiness, downstream applications, and cross-sector collaboration. It tells the story of a space industry that thrives at the intersection of creativity and rigor, agility and responsibility.

As Chair of the Israeli Space Agency, I see 2025 as a bridge year linking Israel's legacy of space innovation with a forward-looking vision centered on orbital resilience: the capacity to design, operate, and govern space systems that are robust, adaptive, and beneficial to society over time.

Looking ahead, Israel's space future will be shaped not only by what we launch, but by how we sustain, protect, and integrate space capabilities into a rapidly changing world. This report lays the analytical foundation for that journey.

GLOBAL SPACE TECH TRENDS

The global space technology sector has entered a phase of structural maturation, transitioning from ambitious experimentation to operational scale, sovereign priorities, and sustainable commercial models. By 2026, space will no longer be a frontier market, but a critical infrastructure layer supporting economic resilience, national security, and climate intelligence.

Space as Sovereign Infrastructure

Across the US, Europe, and Asia, governments are reframing space capabilities as essential national assets, comparable to energy, communications, and cyber infrastructure. This shift is driving sustained public and private investment in satellite constellations, launch resilience, and secure communications. Earth observation, positioning and timing systems, and sovereign SATCOM are increasingly embedded in national defense, emergency response, and economic planning frameworks. As a result, demand is rising for technologies that combine commercial viability with strategic relevance. Dual-use solutions are capable of serving both civilian and defense needs and are becoming central to investment theses, offering built-in risk mitigation and long-term demand stability.

Constellation Renewal and Infrastructure Rebuild

A major global driver of space investment is the renewal cycle of satellite constellations launched in the previous decade. Aging assets in earth observation, communications, and navigation are being replaced with more agile, software-defined, and interoperable systems. This renewal wave favors companies that deliver reliable hardware, scalable manufacturing processes, and vertically integrated platforms rather than bespoke, mission-specific solutions.

At the same time, declining launch costs and increased launch frequency are reshaping system architecture decisions, enabling smaller satellites, rapid deployment strategies, and distributed constellations that prioritize redundancy and resilience over single high-value assets.

Shift from Hardware to Services

While upstream hardware remains capital-intensive and strategically critical, global value creation is increasingly shifting downstream toward data, analytics, and Space-as-a-Service models. Customers, ranging from governments to industrial enterprises, are seeking actionable insights rather than raw satellite data. This trend is accelerating demand for advanced data processing, AI-driven analytics, cloud-based mission operations, and secure data integration platforms.

This transition favors ecosystems that can bridge deep engineering expertise with software and data capabilities, and it lowers barriers for cross-industry adoption in sectors such as agriculture, logistics, insurance, climate monitoring, and urban planning.

In-Orbit Operations and Sustainability

Orbital congestion and debris have emerged as systemic risks to the global space economy. In response, in-space services, such as debris removal, satellite servicing, life-extension, and orbital traffic management, are moving from experimental concepts to commercially and regulatorily supported markets. Sustainability in space is an operational requirement, particularly for large constellation operators and sovereign missions.

Capital Concentration and Market Discipline

Globally, space tech funding has become more selective. Capital is concentrating in later-stage companies with proven operational performance, long-term contracts, and clear paths to scale. While early-stage innovation continues, investors are increasingly disciplined, prioritizing technologies aligned with long-term infrastructure demand rather than speculative exploration alone.



"A particularly defining trend is the anticipated record growth of 2026, building on the 107% surge in public space companies during 2025. The primary driver for this period is the SpaceX IPO, which is expected to trigger unprecedented financial inflows and reopen the public markets for a wave of mature firms."

"With \$1.5 billion flowing into cislunar infrastructure over the past 12 months, as players across the ecosystem pursue commercial space stations, in-space manufacturing, and orbital computing. Technology leaders, including Google alongside major tech companies, are advancing space-based data centers that leverage free solar energy and natural cooling to overcome terrestrial power and water constraints."

Chris Quilty, Co-CEO and President, Quilty Space

ISRAEL'S SPACE TECH EVOLUTION

Leveraging Defense Innovation for Commercial Scalability

Israel's primary competitive advantage lies in its ability to merge military and commercial technologies. High-level engineering originally built for national security, by established leaders like IAI and the Technion, is now being repurposed for civilian space missions and deep-space communications. This "dual-use" strategy allows Israeli companies to offer international partners like NASA technology that is already "battle-tested" and proven in the field. By using these military-grade foundations, companies can reduce technical risks for their clients while staying flexible enough to grow quickly in the commercial sector. While official civil strategy continues to develop, foreign investors remain focused on Israel because of its ability to offer "defense-grade" reliability in a commercial market that increasingly demands high-performance standards.

The Shift Toward "Space-as-a-Service" and Downstream Data

A defining trend of this new era is the transition from Upstream (satellite manufacturing) to Downstream services (data applications). This "Space-as-a-Service" model leverages Israel's historical strengths in communication and sensor miniaturization to solve terrestrial challenges like climate monitoring and orbital logistics. By focusing on these high-value data segments, Israeli startups are moving beyond simple hardware manufacturing and finding critical pathways into the global commercial value chain.

Strategic Communication Infrastructure in Space

The Israeli space industry's standing in the global market is now firmly established, emphasized by a recent partnership between the Israeli semiconductor company [Xsight Labs](#) and SpaceX's Starlink. Starlink has chosen Xsight Labs to provide high-speed communication chips for its upcoming V3 satellites. This technology will be a critical building block for various applications, including communication infrastructure, emergency response, security, IoT, and AI. With communication moving into space and chips increasingly becoming geo-strategic assets, the competitive landscape is shifting. The focus is now on bandwidth, latency, and control of infrastructure, alongside the already dominant area of AI.



"The Israeli space sector is currently experiencing a seismic shift, evolving from a closed, defense-centric field into a globally integrated, dual-use commercial powerhouse. This maturation is uniquely fueled by Israel's "technological society", a dense network of academic researchers and defense veterans whose rapid problem-solving capabilities serve as the industry's primary growth engine."

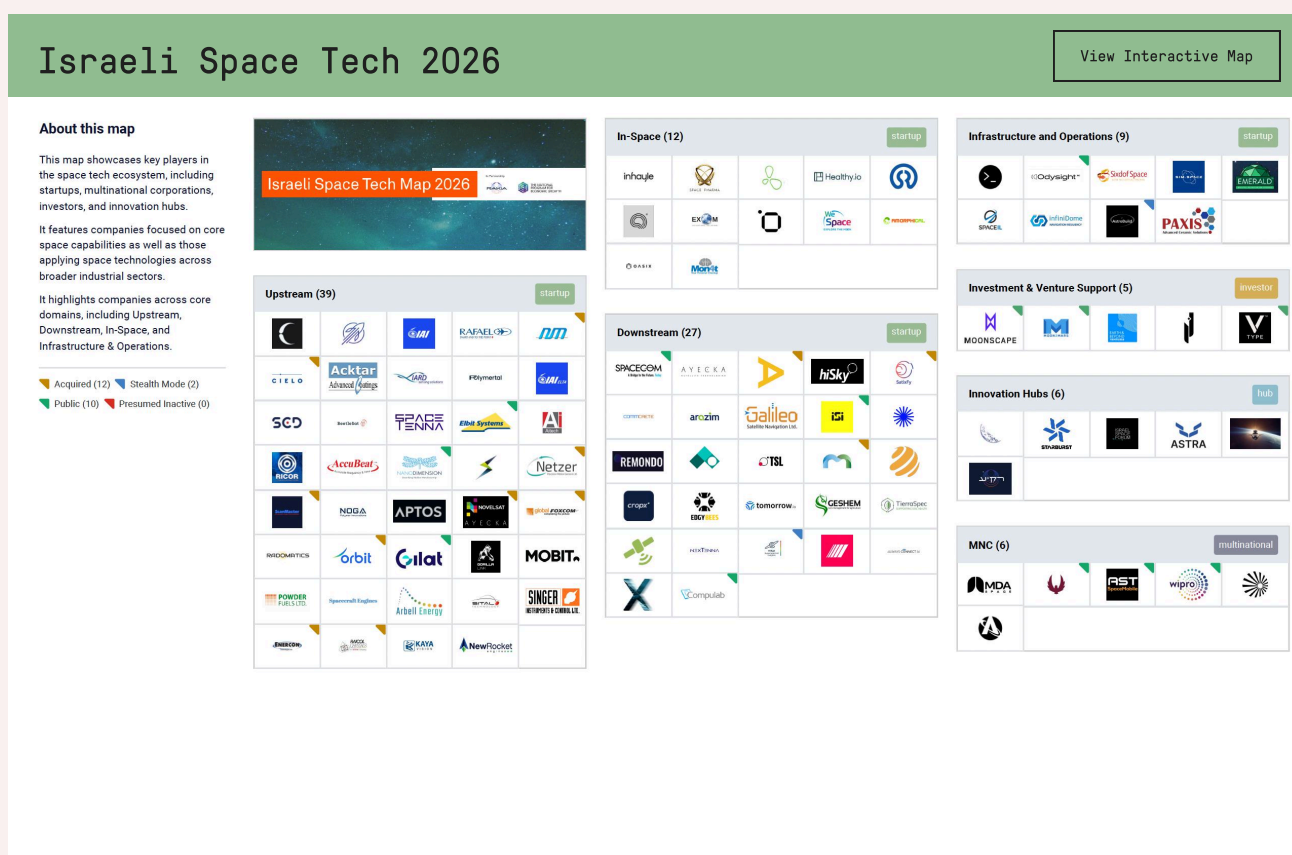
Deganit Paikowsky, the Department of International Relations, the Hebrew University of Jerusalem

ISRAEL SPACE TECH LANDSCAPE MAP

The Israeli space technology landscape comprises nearly 90 companies, ranging from firms primarily developing core space capabilities to those applying space technologies across broader industrial areas. Many of these technologies are dual-use, supporting both commercial and defense applications. This flexibility enhances growth potential, reduces investment risk, and highlights Israel's growing role in the global space technology ecosystem.

The space tech landscape is composed of two main areas of activity:

1. **SpaceTech as a primary sector:** Companies focused on the core infrastructure and hardware of space, including launch vehicles, satellite manufacturing, communication, and propulsion systems.
2. **Space-related applications:** Companies offering "Space-as-a-Service," leveraging orbital data and infrastructure for terrestrial applications such as precision agriculture, maritime logistics, and climate monitoring.



SEE THE MAP



The companies in the map are classified based on the following categories:

Upstream

This category focuses on the physical infrastructure and technology required to reach space and operate within it. This includes manufacturing satellites, components, launch systems, and ground stations.

1. **Launch & Propulsion** – Development and operation of launch vehicles, engines, and propulsion systems that physically deliver payloads into space. One prominent startup in this domain is [Powder Fuels](#), which develops rocket propulsion fuel technology critical for launching objects into space.
2. **Space System Manufacturing** – Industrial production of complete space systems and critical hardware built specifically for operating in space. This includes end-to-end development of full satellite platforms, including payload integration and mission-specific design. It also includes companies that specialize in space-qualified hardware such as sensors, processors, power systems, thermal systems, and structural materials. Among these companies is [Accubeat](#), which focuses on atomic clocks and high-precision timing solutions, and [Raicol Crystals](#), a manufacturer of specialized optical components and crystals used in laser-based and spaceborne optical systems.
3. **Ground Systems** – Earth-based infrastructure that controls satellites, processes mission data, and manages space operations. [Orbit Communications Systems](#) is a leading company in this domain, providing communication systems and ground stations that connect satellites in space and users on Earth.

In-Space

This category encompasses all activities, technologies, and services conducted within the space environment itself. It focuses on on-orbit operations and what occurs “in space”, including specialized servicing, infrastructure development, and logistical support.

1. **In-Space Services & Infrastructure** – Operational services performed directly in orbit to maintain, protect, and extend the life of space assets. This includes satellite servicing, refueling, debris removal, and space logistics. A prominent company in this domain is [Astroscale](#), which provides critical in-orbit services to ensure orbital sustainability.
2. **In-Space R&D & Manufacturing** – Scientific research, testing, and industrial production conducted under microgravity conditions to develop advanced materials, pharmaceuticals, and technologies. [Space Pharma](#) leverages space conditions to conduct life sciences research and pharmaceutical experiments that are impossible on Earth. Similarly, [Amorphical](#) focuses on health technologies and calcium supplements designed specifically to mitigate bone mass loss experienced by humans in space environments.
3. **Exploration & Resource Utilization** – Development of technologies that enable deep-space missions, planetary exploration, and the identification and extraction of celestial resources. This includes the utilization of materials from the moon, asteroids, and beyond to support long-term space habitation. Among the leaders in this field is [WeSpace Technologies](#), a company developing autonomous robotic systems for lunar exploration and collecting resources on the moon and other planetary bodies.

Downstream

This category focuses on the utilization of data and services derived from space-based assets to serve users on Earth. It encompasses communication, navigation, and sophisticated satellite data analytics.

1. **Communication** – Satellite-enabled transmission of data, voice, and internet connectivity to users on Earth and those operating in remote environments. A prominent company in this sector is [Spacecom Communications](#), the operator of the “Amos” satellites, which provides global satellite communication services to ground-based customers.
2. **PNT (Positioning, Navigation & Timing)** – Space-based systems that provide precise location, navigation, and synchronized timing for civilian, commercial, and defense applications. This domain includes companies like [Galileo Satellite Navigation](#), which specializes in hardware and software solutions for precise satellite navigation and critical resilience against signal disruptions.
3. **EO (Earth Observation)** – Space-based imaging and sensing technologies used to monitor the Earth's surface for environmental, agricultural, urban, security, and climate applications. [ImageSat International](#) is a leading company in this domain, utilizing its fleet of satellites (including the EROS series) to deliver high-resolution imaging, intelligence collection, and data analysis services for both defense and civilian clients.

Infrastructure and Operations

Companies in this category include facilities, and services that support the development, deployment, and operation of space missions and applications. This includes the physical and digital infrastructure, operational capabilities, and enabling processes necessary to sustain space activities, ranging from mission planning and ground control to logistics, workforce development, and cross-sector support technologies.

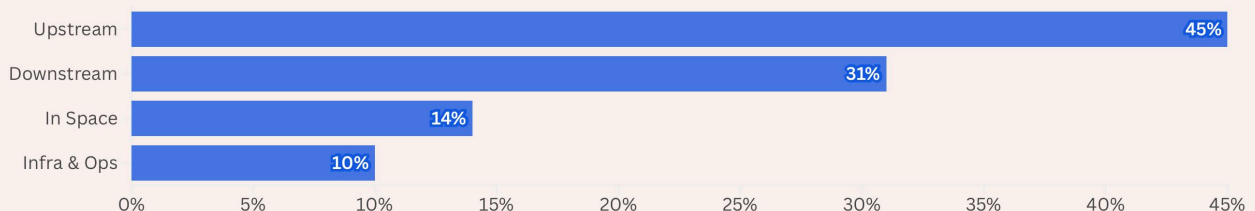
1. **Cross-Industry Support** – Technologies originally developed for terrestrial sectors that directly enable or enhance space missions and applications. This domain includes companies like [OdysightAI](#) which specializes in AI-driven visual solutions for space applications that are built on technologies originally developed for terrestrial industrial and monitoring systems.
2. **Research and Development** – Activities and organizations focused on training the next generation of the space workforce and engaging the public in space science. For instance, [Ramon.Space](#) develops computer systems optimizing power consumption, allowing for potential software updates while in orbit.

THE ISRAELI SPACE TECH SECTOR: DATA AND TRENDS

The Upstream and Downstream categories dominate Israeli Space tech

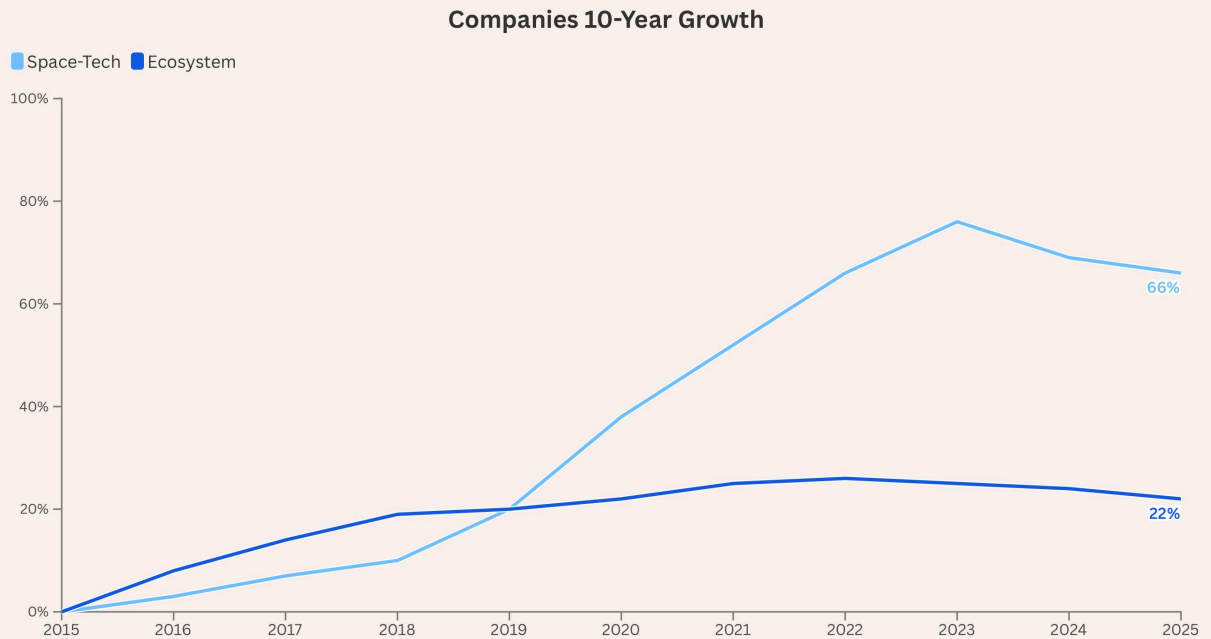
The space sector is currently dominated by Upstream activities, which account for 45% of industry companies, followed by Downstream services at 31%. Together, these two segments represent over three-quarters of the market, highlighting a heavy focus on manufacturing, launch, and data applications. The remaining 24% of the industry is split between In Space operations and Infra & Operations, indicating specialized but essential niche sectors within the broader ecosystem.

Space Related Companies Distribution by Categories



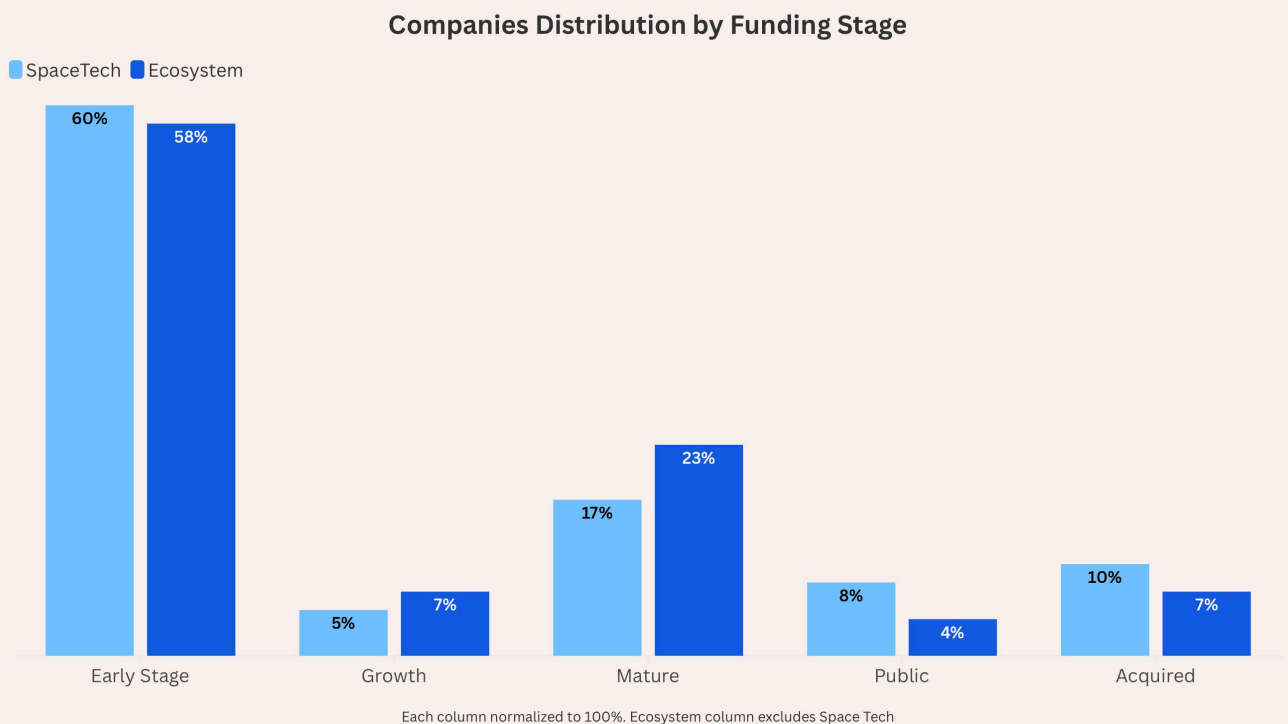
Space tech outpaced general ecosystem growth but is still a relatively small segment

Today, Israel's space technology sector comprises approximately 50 active companies and an additional 40 companies developing space-related applications. There was a steady growth in the sector over the past decade with a particularly strong surge between 2020 and 2023. Growth has slightly moderated since 2023, indicating early signs of stabilization and maturation. Over the decade, the sector grew by 66% – significantly outpacing the 22% growth observed in the wider tech ecosystem – highlighting strategic development and the increasing maturity of Israel's space technology sector.

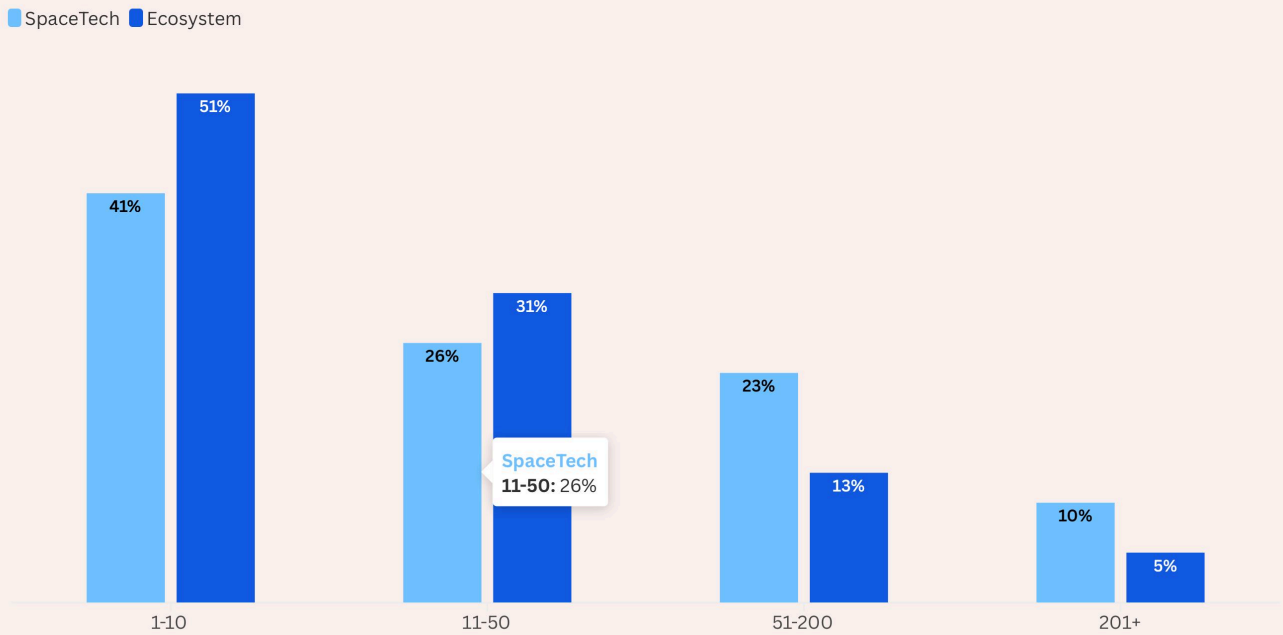


Early Funding vs. High Operations in Space Tech

While space tech companies lag behind the broader ecosystem in terms of funding maturity, with 60% still in early stages, the sector demonstrates significant operational strength. Notably, 33% of space tech companies have more than 50 employees, a higher proportion than the 18% seen across the entire ecosystem. This indicates a steady expansion of operations beyond initial R&D, even without substantial funding. Furthermore, 19% of currently active companies have already been acquired or gone public.



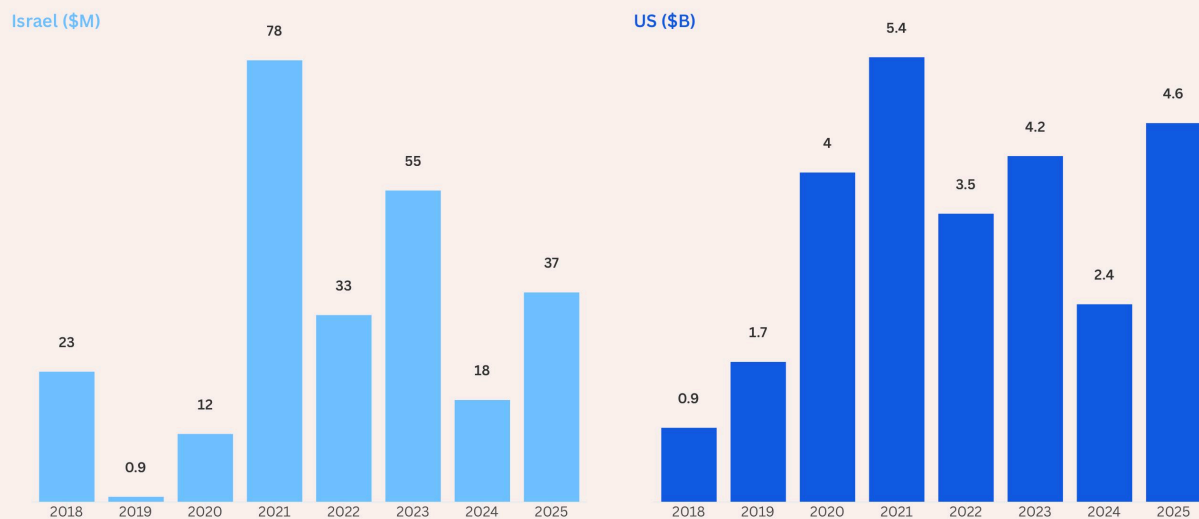
Companies Distribution by Number of Employees



Israeli Space Tech Follows Global Trajectories on a Smaller Scale

While overall Israel space tech private funding levels are relatively low and fluctuate considerably, there is synchronicity with the US in peak investment years (2021, 2023, and 2025), indicating that the Israeli ecosystem is aligned with global market cycles and holds strategic relevance for foreign investors seeking opportunities during periods of global growth. The median deal size in the past 5 years in Israel was \$4.3M, close to the global median (\$5.3M), but lower than the US median (\$7.4M).

Private Funding



Notable Events in Recent Years

Company		Year	Event Amount(\$M)	Event Type
Orbit Communications Systems		2025	356	M&A
SatixFy		2025	269	M&A
Commcrete		2025	21	Private Funding
Moonshot Space		2025	11	Private Funding
Ramon Space		2023	26	Private Funding
ImageSat International		2022	100	IPO
BeetleSat		2022	20	Private Funding
hiSky SCS		2021	30	Private Funding

SUMMARY

In 2026, space technology is no longer a niche market but a fundamental pillar of global economic and security infrastructure. Globally there is a shift toward operational scale, anchored by the landmark SpaceX IPO and a surge in downstream services. Israel, with its emergence as a dual-use powerhouse, is successfully pivoting from defense-centric hardware to commercial “Space-as-a-Service” platforms. By combining military-grade reliability with innovative in-orbit operations, Israel is solidifying its role as a strategic partner in the \$600B+ global space economy. As space becomes an increasingly critical global utility, Israel's space sector is well-positioned to deliver commercially relevant capabilities within the evolving orbital economy.

METHODOLOGY

The companies featured in this spotlight and on the associated map were selected based on key indicators of innovation and impact, including recent funding rounds or government grants, notable milestones, strategic partnerships, and the uniqueness of their technology.

The report is based on the Startup Nation Finder database, except for global funding metrics, which are based on Pitchbook. Private Funding includes the following round types: Pre Seed, Seed, A, B, C, D, E, F, G Rounds, Convertible Debt, SAFE, Equity Crowdfunding, and Undisclosed rounds.

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