

Media Release

info@cbs.gov.il; www.cbs.gov.il; Fax: 02-6521340

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Adoption of Artificial Intelligence in Businesses Findings from the Varying Topic of the Business Tendency Survey - June 2025

Since the introduction of general-purpose generative AI in late 2022, **its growing use is fundamentally transforming the way businesses and individuals operate worldwide.** In June 2025, as part of the additional chapter of the Business Tendency Survey, managers were asked about the use of AI in their company's business activities, including its nature, purposes and effects.

The special survey targeted businesses with 10 or more employee jobs, in order to enable international comparability of the estimates.

The target population included 34,708 businesses.

Survey estimates were calculated both in terms of businesses (the share of businesses out of the total population/industry) and in terms of employees (the proportion of employees in businesses) according to each response category. For questions where the estimate for a specific response is based on a small number of observations, priority was given to the employee-based estimate, which is less sensitive to outliers.

Use of Artificial Intelligence (AI) in Businesses

- Approximately 28% of all businesses in the survey population reported using AI tools in their various business processes. 17% of all businesses use paid AI services, indicating a more intensive level of use, while the rest use tools and services that are available free of charge.
- In the High-tech industries, about 60% of the businesses reported using AI, with 55% using paid services. Across all other economic industries (excluding Construction), at least 15% of businesses reported using AI technologies (paid/free of charge).

**Written by: Dr. Daniel Roash, Yuval Regev, and Shanel Ayash –
Business-Economics Department**
**For further information, please contact the Statistical Information Center at
02-6592666 or via the [online inquiry form](#)**

- Paid AI services are more commonly used by large businesses (250 employee jobs or more), with 29% incorporating such technologies into their operations. In contrast, only about 16% of small businesses (up to 50 employee jobs) use paid AI services.

Types of Tasks Performed by AI

Respondents that reported using AI tools in their businesses, were asked whether AI is used to perform tasks that were previously done by employees.

- About 42% of businesses report that they use AI for technical and routine tasks that were previously performed by employees. About 14% report that AI is also used for complex tasks that require cognitive abilities.
- Approximately 23% of businesses in the High-tech and Finance industries also use AI for performing complex tasks, while in the Manufacturing industry, only about 3% do so.

The impact of AI Use on Employment (in terms of employees)

Respondents that reported using AI tools in their businesses, were asked how AI use has affected the total number of employees in their business.

- About 89% of businesses (in terms of employees) that use AI, reported no impact on the overall level of employment.
- Approximately 5% of businesses stated that AI usage reduced the need to hire new employees.
- About 4% indicated that AI use led to a reduction in the number of employees (roughly 2% reduced the number of employees with low education levels, and another 2% reduced employees with higher education).
- About 3% of businesses in the Services industries reported that AI increased employment, while 3% of the businesses in the High-tech industries reported a reduction in employment among highly educated workers.

Expected Use of Artificial Intelligence in the Coming Six Months

- About 28% of businesses expect to use artificial intelligence in the next six months, and 29% do not rule out the possibility. Approximately 2,500 businesses, (representing 7.2% of the total survey population), currently do not use AI but anticipate introducing it into their operations in the near six months.
- Among businesses currently using paid AI services, 86% expect to continue using the technology in the near term, compared to only 50% of those currently using free AI tools.

Barriers to AI Adoption

Managers who reported that they either do not expect to use AI in the next six months or are uncertain about their intentions to do so, were asked to identify the barriers for adoption in their business.

- About 71% of businesses that answered this question (approximately 17,455 businesses of the total population) stated that their economic activity is not relevant to the use of AI technologies.

International Comparison of AI Adoption

In the European Union, the adoption of AI in the business sector is measured annually through ICT surveys. The most recent available data for EU countries is from 2024.

- The share of businesses using AI in Israel (28%) is significantly higher than the EU average (13%) measured in 2024.
- Israel's usage rate is similar to European countries such as Denmark and Sweden (in 2024).