

May 22, 2025



GEOIntelligence

# Flash Executive Summary Report

The cease-fire agreement between Israel and Hamas to secure the release of hostages broke down in March (see this link for more details: [Bancroft GEOIntelligence Executive Summary on the Israel-Hamas War and the Economic Implications](#)). Israeli Defense Forces (IDF) resumed operations in Gaza and, more broadly, Israel developed plans for the next phase of its military operations. On May 6, 2025, the Israeli security cabinet approved “Operation Gideon’s Chariots” and, according to Israel, the operation kicked off last Saturday (May 17). This operation will reactivate tens of thousands of IDF and Israeli Intelligence Service reservists to enable a new approach to Israel’s ground operations in Gaza. Israel intends to seize and hold the physical terrain in Gaza, moving from north to south. The IDF will concurrently direct and, if necessary, compel the internal displacement of up to 1.2 million Palestinians from northern Gaza to the south.

## Changes Since Oct. 7, 2023:

After nearly 19 months of continuous combat operations, the IDF gained extensive experience in planning and conducting joint military operations against Hamas. Israel’s security establishment has tried, tested, and validated its military capabilities and tactics during operations against Hamas and Lebanese Hezbollah, as well as successfully conducted long-range precision strikes against Iran and the Houthis in Yemen. The unprecedented duration and nature of warfare conducted by Israel have resulted in countless lessons learned about these terrorist organizations and their capabilities and tactics.

Since Oct. 7, 2025, Israel has effectively eliminated the terrorist leadership structure at the echelon of Hamas, the Palestinian Islamic Jihad (PIJ), and Lebanese Hezbollah. The decapitation of terrorist leadership down to the tactical level has enabled the IDF to continue to stay ahead of its adversaries in military planning and operations. Both the IDF and Israel’s multidisciplinary intelligence services have a near-real-time understanding of Hamas and PIJ disposition in Gaza, given the saturation intelligence collection and surveillance across Gaza, including during the cease-fire periods.

The conditions are different than they were just six months ago, and Israel is striking before the conditions change again. Russia is effectively out of Syria and is preoccupied with Ukraine. China, typically pro-Palestinian, is essentially silent, likely because it does not want to damage its economic relationship with Israel, considering all the economic challenges it is facing. Iran is notably weaker for several reasons: Hezbollah was defeated; Iran lost its Integrated Air Defense Systems through Israeli air strikes; the Houthis are a nuisance but are not existential; and Syria was defeated despite decades of Iranian support. Also, the Arabs are mostly quiet, at least at this point. Though Saudi Arabia’s public is sympathetic to the Palestinians, the Saudi government is not strongly weighing in. Egypt and Jordan do not want to own the problem either.



[GEOIntelligence@bancroft4vets.com](mailto:GEOIntelligence@bancroft4vets.com)

But in Europe and some other Western nations, just days into the offensive, momentum is building against Israel. Israel probably believed that, though most European nations would be against the Israeli assault on Gaza, the Europeans were preoccupied with keeping NATO together, supporting Ukraine (with an unsteady U.S.), and were busy rebuilding the military and Defense Industrial Base to face the Russian threat. Instead, the UK, France, and Canada quickly reacted to the offensive in Gaza, along with talks about possible EU sanctions against Israel – this momentum will likely increase.

At this point, the U.S. is largely silent, though the topic came up during President Trump's recent visit to the Middle East, and the White House continues to reiterate that President Trump wants peace in Gaza. That said, the U.S. will likely not support a UN effort to stop this new assault or unilaterally act to stop it, unless domestic pressure grows significantly.

## **Challenges facing Operation Gideon's Chariots:**

From Oct. 7, 2023 to the present, Israel has not identified, planned, or decided how to implement alternative governance or a security solution in Gaza. As the IDF reinitiates ground combat operations and successfully seizes northern Gaza, the only hold force identified is the IDF. While some of the far right within Israel's government would like to see a permanent Israeli reoccupation of Gaza, this is not a widely supported end state for achieving Israel's strategic objectives to end the war in Gaza. The entire Arab community and the broader international community would condemn Israel for carrying out a permanent reoccupation.

Israel will increasingly face international condemnation for the treatment of Palestinians in Gaza and its failure to address the ongoing humanitarian crisis. While there are plans to resume humanitarian assistance into southern Gaza, concurrent with the beginning of Gideon's Chariots, the current plans fall far short of providing the necessary aid throughout to feed and protect the population. Israel has refused to alter its tactics or its operational approach of inflicting significant destruction to infrastructure and causing a high number of civilian casualties, despite the condemnation by the international community.

## **Next Steps:**

Gideon's Chariots offensive will likely employ an estimated 60,000 to 100,000 forces into Gaza to seize and hold northern Gaza for several weeks. When the IDF is satisfied that it has successfully eliminated Hamas and its affiliates from northern Gaza, Palestinians will be methodically returned to northern Gaza to allow military operations to continue in the South. An operation of this magnitude will probably take several months to complete, with many more months of IDF occupation until the Israeli government comes to an agreement internally and with the international community on a governance and security alternative to Israeli Occupation.

Israel's strategy beyond Phase One of the original three-phase cease-fire agreement, designed to free all its hostages and return the remains of the hostages who have died during this conflict, remains unclear. Gideon's Chariots is an extension, or the next stage of phase I. Israel has not released or described follow-on plans to retrograde the IDF, build a viable internal security alternative in Gaza, create conditions for new local governance, provide humanitarian assistance and reconstruction (presently, Israel only allows in a trickle of aid over concerns that it could wind up in Hamas' hands), or create long-term security for Israel.

## Economic Implications:

The economic implications are broad for both Gaza, Palestine, and Israel. The direct economic impact in Gaza is tremendous, with the effectiveness in the region shut down from a commercial perspective. Poverty, plus the loss of infrastructure and investment, is massive and will require time and significant reinvestment to build, which could provide future stimulation.

For Israel, the impact is slowing economic growth and the redirection of financial resources to the war effort. The military call-up over the past year has led to severe labor and talent drain across all sectors of technology.

The growth in its defense budget necessary for the war (as well as military actions elsewhere against Hezbollah, Houthis, and Iran), the internal displacements, and losses in tourism and private investments have constrained Israel's economic growth. Reduced direct foreign investments in its technology and innovation sectors are factors as well.

Global markets may reflect the strategic uncertainty associated with prior conflicts in the region until a conflict settlement agreement is in place.

Monitor for impact from potential economic sanctions from the EU, and/or from individual nations, as the humanitarian crises worsen in Gaza.

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