

Israel Overview



Phoenix Breakfast Briefing





Israel



Israel's Population Growth

- The population of Israel numbers approximately 8.680 million people on the eve of Israel's 69th Independence Day, 2017.
- At the time of the re-establishment of the State (1948), the population numbered 806,000 residents.
- On the State of Israel's 100th Independence Day in 2048, the population is forecast to number some 15.2 million people.
- The Jewish population numbers approximately 6,484,000 (74.7% of the total population), Arab citizens number some 1,808,000 (20.8%) and the remainder number about 388,000 (4.5%).

Israel has come a long way since 1948.....



Celebrating May 1st



From the City, to the Farm!

Topic	Then	Today
Share of agricultural exports	48% 1950	3% 2016
GDP Excl. net taxes on imports, 2016 prices 	NIS 25.6 billion 1950	NIS 1,174.5 billion 2016 (46 times more)
GDP per capita Excl. net taxes on imports, 2016 prices	NIS 20,200 1950	NIS 137,500 2016 (6.8 times more)
Gini index ⁸	0.31 1974	0.37 2015
Unemployed persons	7.2% 1955	4.8% 2016
Persons living in owned dwellings 	42.8% 1956/7	67.6% 2015
Persons living in rented dwellings (and key-money apartments)	57.2% 1656/7-ג	26.7% 2015-ג
Employee jobs	532,400 1961	About 3.5 million 2016

Israel's GDP is Growing



2014	2015	2016	2017 (e)	2018 (f)
\$308.77 billion	\$299.41 billion	\$318.39 billion	\$339.99 billion	\$353.30 billion

Leading international credit ratings agencies (e.g. Moody's, S&P, Fitch) agree that Israel's economy could grow by an average 3.1% annually to 2020.



Israel's GDP Per Capita

	2014	2015	2016	2017 (e)	2018 (f)
GDP per Capita	\$37,599	\$35,743	\$37,262	\$39,126	\$39,978



United States: \$57,467



Canada: \$47,158



United Kingdom: \$39,900

ISRAEL'S INFLATION

1972 – 12%

1980 – 130%

1984 – 345.5%

1986 – 64%

1990 – 17.4%

2000 – 1.1%

2010 – 2.7%

Recent Inflation Rates	2014	2015	2016	2017 (e)	2018 (f)
	0.5%	-0.6%	-0.5%	0.7%	1.4%

Exchange Rate Today: \$1 = NIS 3.52



Historical Exchange Rates:

2000 - 2013: ~\$1.00 = NIS 4.00

1998 : \$1.00 = NIS 3.8 - 4.3

1992: \$1.00 = NIS 2.44 - NIS 2.55

Israel's Thriving Hi-Tech Economy

World Economic Forum's latest Global Competitiveness Index ranked Israel #3 in the world. It has a good capacity for innovation, high quality scientific research institutions and strong private sector spending and collaboration on R&D.

- Life Science & BioTech
- Homeland Security
- Internet Security
- Digital Health
- Drones
- Cannabis
- AgriTech
- Fintech
- IoT
- Automotive Tech
- Robotics



US – Israel Free Trade Accord

Originally concluded in **1985** (First ever between U.S. and any country)

2016: US exports to Israel = \$13.2 Billion
Israeli exports to the US = \$22.2 Billion
Arizona exports to Israel = \$162.1 Million

▶ Current Trade Deficit of \$9 Billion

Top 10 Sectors where Israel imports large quantities of goods and services

- Machinery, Boilers
- Electrical, Electronic Equipment
- Precious Stones
- Vehicles
- Mineral Fuels, Oils, Distillation Products
- Plastics
- Optical, Photo, Technical, Medical Apparatus
- Pharmaceutical Products
- Organic Chemicals
- Iron & Steel

Within these broad categories the following specific items are in high demand:

- Electronic Hardware
- Biomedical Equipment
- Agricultural Products
- Processed Foods
- Chemicals
- Specialty Pharmaceuticals
- Transportation Equipment
- Defense Related Equipment

Factoids About Israel

- **13th largest source of FDI into the U.S.**
- **8th fastest growing source of FDI into the U.S.**
- **Largest source of franchise tax income for the State of Delaware**
- **86% of water reclaimed (#2 is Spain at 19%)**
- **55% of water comes from desalination**
- **10,000 brackish water experts work in 54 countries worldwide**

Today's Opportunities in Israel

- **Export to Israel and Beyond**
- **Foreign Direct Investment Attraction**
- **Innovation Joint Ventures**
- **BIRD-F Financing**
- **Third Country Cooperation**
- **Direct Investment in Israeli Startups**

Thank you!

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