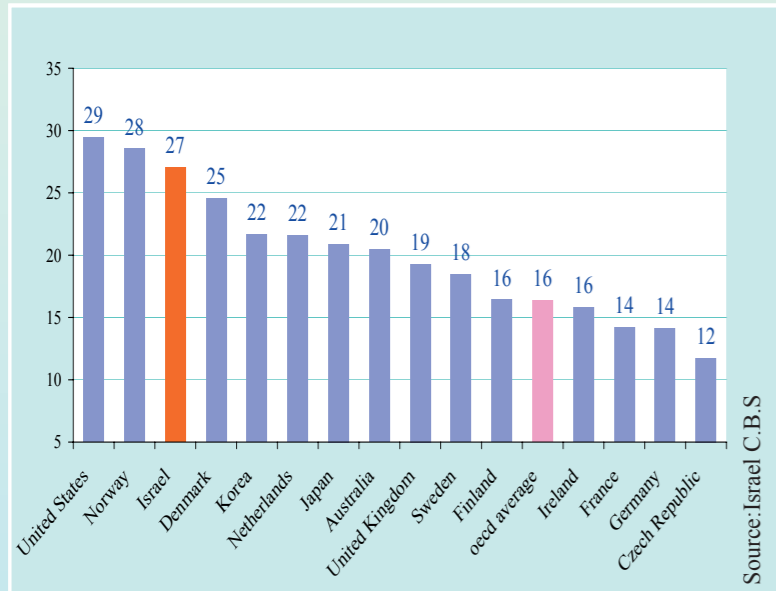
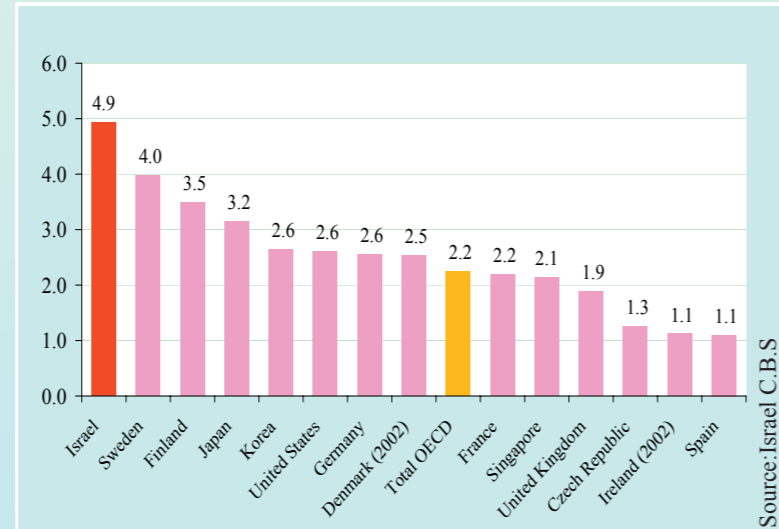


Percentage of population with academic education, 2003

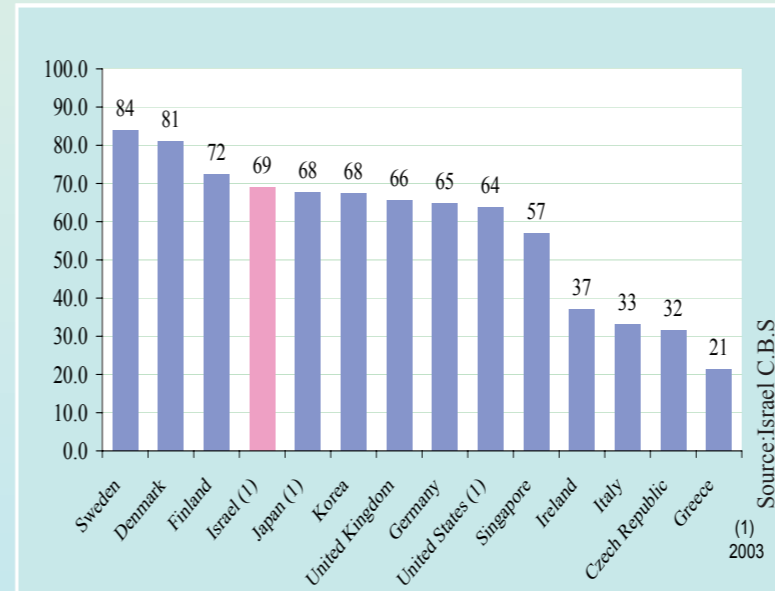


International Comparisons

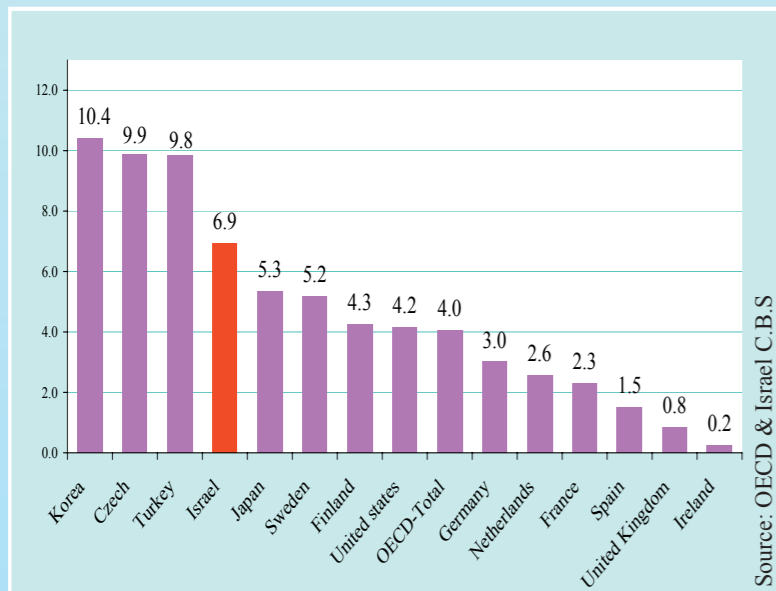
R&D Expenditure as percentage of total GDP, 2003



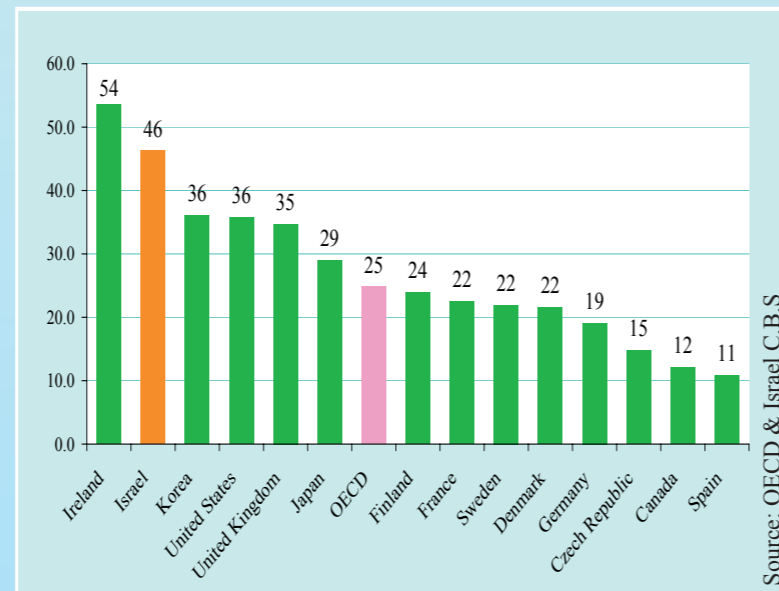
Individuals using the Internet from any location, 2004. Percentage of all adults



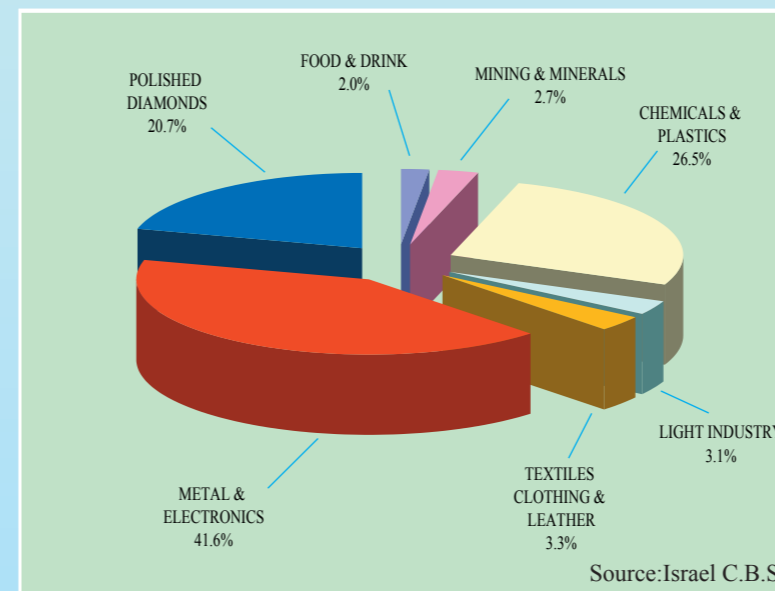
Industrial production 2004/2003



High-Tech export, as percentage of total manufacturing export 2003



Israel's Industrial Export by Major Branches 2005



State of Israel
Ministry of Industry Trade and Labor
Planning & Economic Administration

Israel's Main
**Economic
And Industrial
Indicators**

February 2006

A. General Economic Indicators

Real percentage change

	2003	2004	2005
Gross Domestic Product (GDP)	1.7	4.4	5.2
Business Sector Product	2.5	6.3	6.6
GDP per capita	-0.1	2.6	3.3
Population	1.8	1.8	1.7
Inflation (C.P.I.)	-1.9	1.2	2.4
Employment (Thousands)	2.0	3.0	3.5
Unemployment Rate (%)	10.7	10.4	9.0
Industrial Production	-0.3	6.9	4.2
Machinery Investment	-1.1	9.8	3.2
Private Consumption Expenditure	0.9	5.0	4.0

B. Foreign Trade

Real percentage change

Balance of Payments	2003	2004	2005
Total Imports	-1.7	11.8	4.4
Total Exports	7.5	17.4	7.0
Trade Balance	IN MILLION OF \$		
Imports of Goods	33,707	40,356	44,371
Exports of Goods	27,913	33,813	36,429
Trade Deficit	-5,794	-6,544	-7,942
Export-Import Ratio(%)	82.8	83.8	82.1
Industrial exports	24,913	29,940	31,872
Of Which: Polished Diamonds	5,636	6,364	6,658

C. Industrial Output and Exports By Branch Percentage Change On Previous Year

	Production		Export*	
	2004	2005	2004	2005
Total Industry	6.9	4.2	20.0	9.5
Food & Drink	1.8	1.8	17.4	9.8
Textiles	0.5	1.5	13.2	-0.9
Clothing	-7.5	-1.8	-6.0	-14.5
Leather	-8.4	0.1	8.3	8.3
Wood & Furniture	8.1	0.0	54.7	-6.1
Paper	0.0	4.7	7.0	5.2
Publishing & Printing	5.0	1.9	2.1	13.8
Mining	-2.9	2.7	34.0	-1.1
Minerals	-8.3	3.5	54.6	7.7
Chemicals & Fuel	12.4	5.2	26.2	19.7
Rubber & Plastics	5.9	10.5	17.9	6.1
Basic Metals	7.7	8.1	59.7	18.9
Metal Products	6.3	5.1	28.5	17.2
Machinery & Eqpt.	-7.1	-0.1	27.5	7.2
Electronic Components	2.8	1.6	11.7	-10.5
Electronic Telecommun. Equipment	21.7	7.8	20.4	-0.7
Electronic Motors	-3.1	-0.1	3.4	14.6
Medical & Control Eqpt.	11.4	6.4	30.5	10.1
Transport Eqpt.	16.7	5.0	11.0	1.4
Jewellery	-3.4	6.0	9.0	-1.9
Diamonds	12.9	14.0	12.9	14.0
Others	-0.9	6.1	10.9	-7.3

Ministry of Industry estimate.

* Nominal Change

D. Investment (Imported Machinery & Equipment) And Employment Percentage Change On Previous Year

	Investment*		Employees	
	2004	2005	2004	2005
Total Industry	19.8	11.3	1.2	1.7
Food & Drink	-4.4	20.0	1.9	1.0
Textiles	50.8	36.2	-6.1	-9.2
Clothing	24.5	8.0	-4.3	-3.9
Leather	21.4	42.3	-8.9	-2.2
Wood & Furniture	7.8	23.9	0.3	0.2
Paper	1.3	99.6	2.3	4.2
Publishing & Printing	118.0	-52.4	5.5	2.7
Mining	-87.9	22.1	-0.9	-2.5
Minerals	51.9	39.3	-4.3	3.6
Chemicals & Fuel	39.7	7.3	2.5	3.3
Rubber & Plastics	24.7	7.6	-3.0	5.5
Basic Metals	-18.3	36.0	1.3	6.5
Metal Products	22.9	31.9	2.7	0.3
Machinery & Eqpt.	18.3	30.5	-5.6	-2.2
Electronic Components	68.4	-23.7	14.5	3.2
Electronic Telecommun. Equipment	48.7	-5.3	2.4	6.4
Electronic Motors	20.9	18.0	-4.2	-0.4
Medical & Control Eqpt.	15.4	28.6	0.3	3.5
Transport Eqpt.	20.1	43.9	3.4	4.1
Jewellery	16.0	14.6	-5.9	-0.3
Others	45.9	19.3	0.6	5.9

*Estimates based on imported machinery & equipment

Ministry of Industry Trade and Labor

The Ministry of Industry, Trade and Labor is a central economic ministry which embodies a variety of major policy tools designed to promote and encourage economic growth. The Ministry carries out policy by means of a number of support programs which may be summarized as follows:

- **The Encouragement of Capital Investment Law**, which provides grants and tax relief to approved enterprises – either for constructing new plants or expanding existing facilities – is carried out by the Israel Investment Center (IIC). The IIC caters for both foreign and local capital investment and is sensitive to changing priorities in both geographical zoning and general macro-economic policy.
- **The Ministry's Office of the Chief Scientist** is responsible for implementing government policy regarding the support and encouragement of industrial research and development in Israel. These include a variety of programs from pre-seed technological incubators through to generic support for consortia and international participation in bi-national funds.
- **The Encouragement of Exports**. Commercial Attaches allow for the furthering of trading interests between host countries and Israel. The global spread of knowledgeable, experienced economic representatives facilitates assisting local industrialists to penetrate new overseas markets as well as to set up opportunities for joint ventures with foreign contacts.
- **The Export Institute**, a quasi-autonomous arm of the Ministry, provides an additional framework for encouraging export trading. The institute provides a wide array of services to potential and de-facto exporters.
- **Encouragement of Small and Medium-sized businesses**, by means of the Small Business Authority, which provides counseling and professional guidance to business as well as government-guaranteed loans for specific projects.
- **Advancement of Human Capital Resources**. Technological and professional training programs are designed to enhance the quality and supply of local labor with the aim of increasing employability while providing retraining for the unemployed.



Compiled and edited by Howard Ross
Ministry of Industry Trade & Labor
Planning & Economic Administration
Tel: 972-2-5600307
Fax: 972-2-5600340
5 Bank of Israel Str., Jerusalem
www.moital.gov.il