



Prime Minister's Office

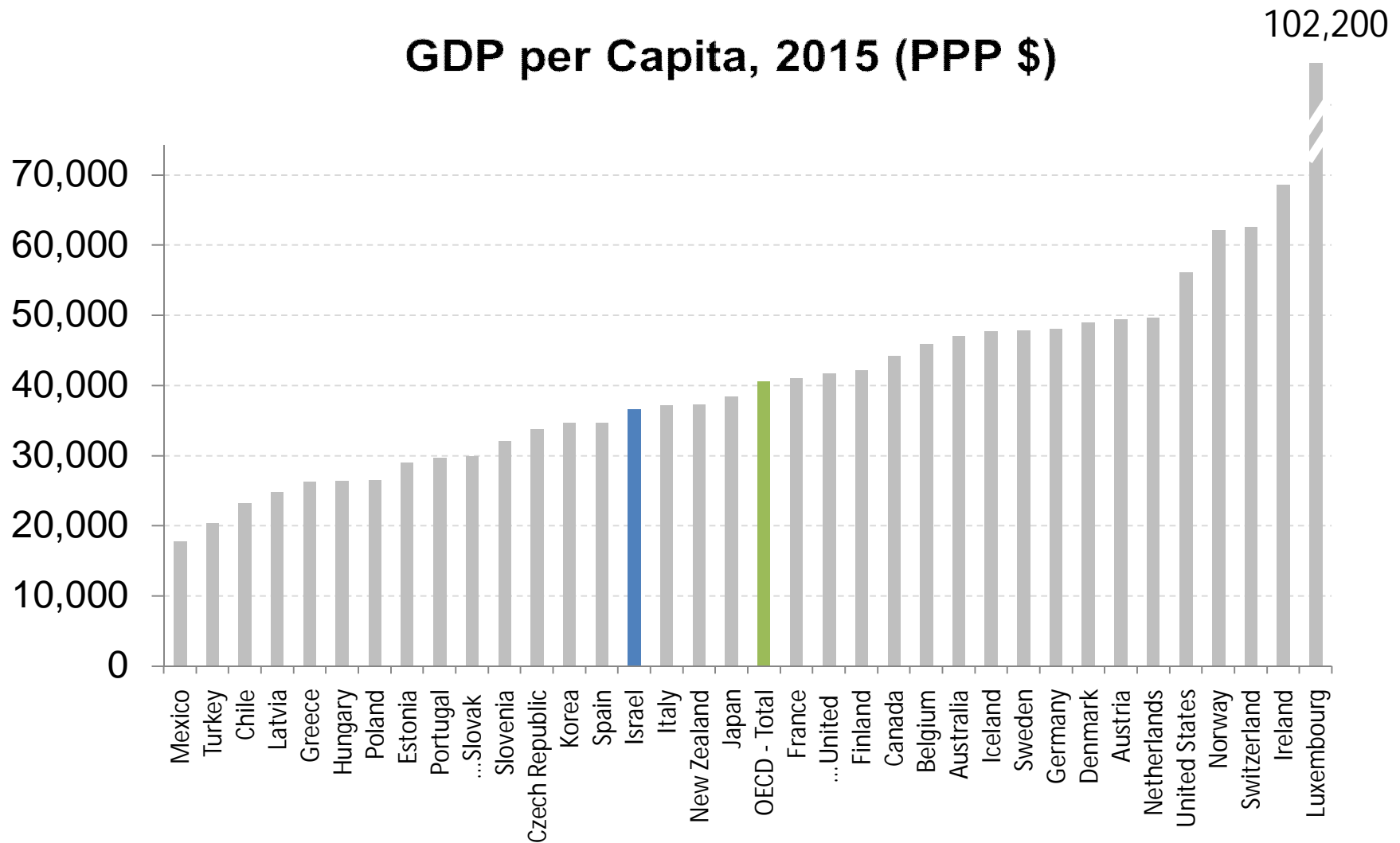
# The Israeli Economy: Prospects and Challenges

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Prof. Avi Simhon, Head of the National Economic Council

February 2017

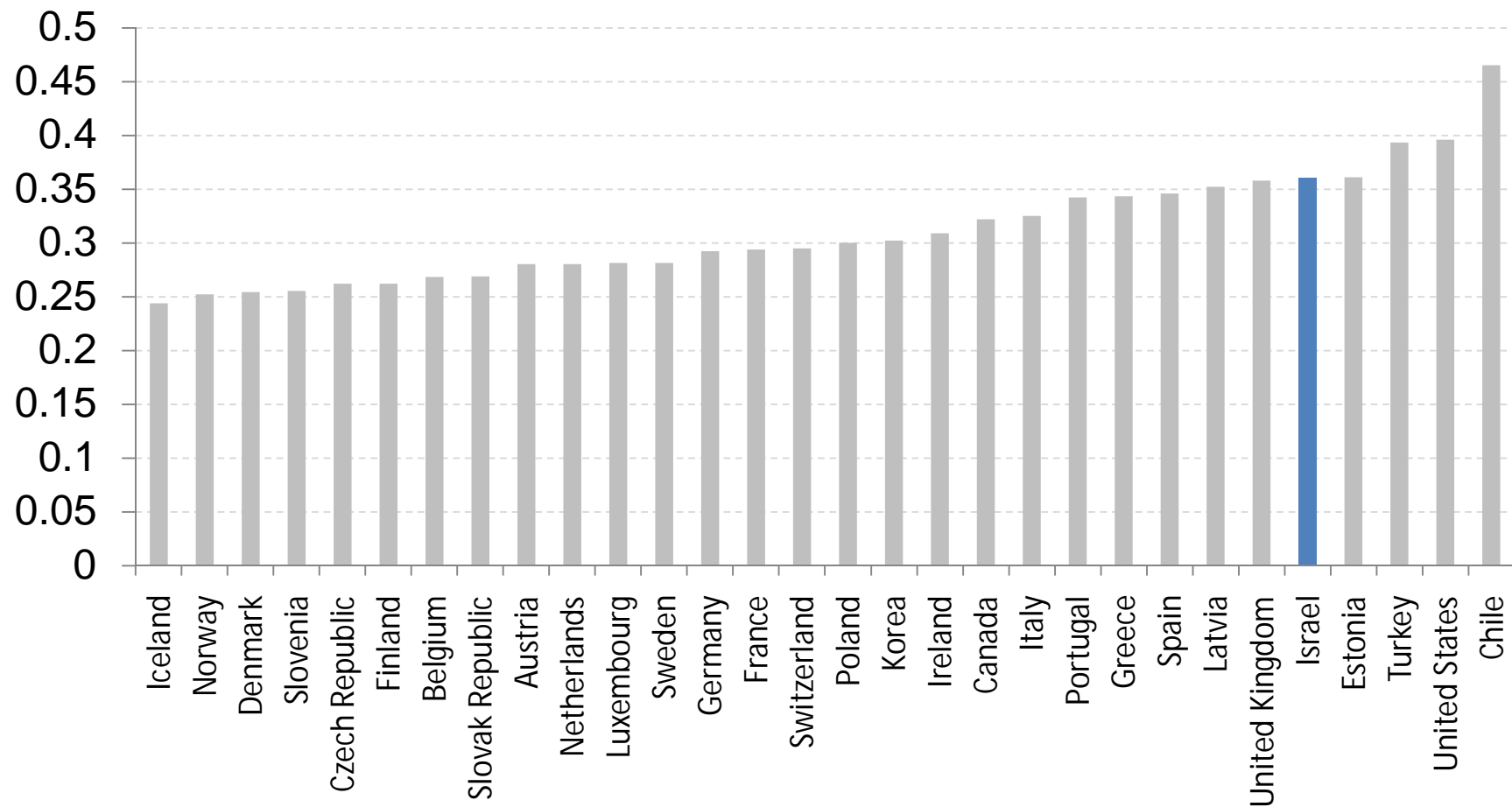
# Israel's GDP per capita is below OECD average



Source: OECD

# While inequality is relatively high

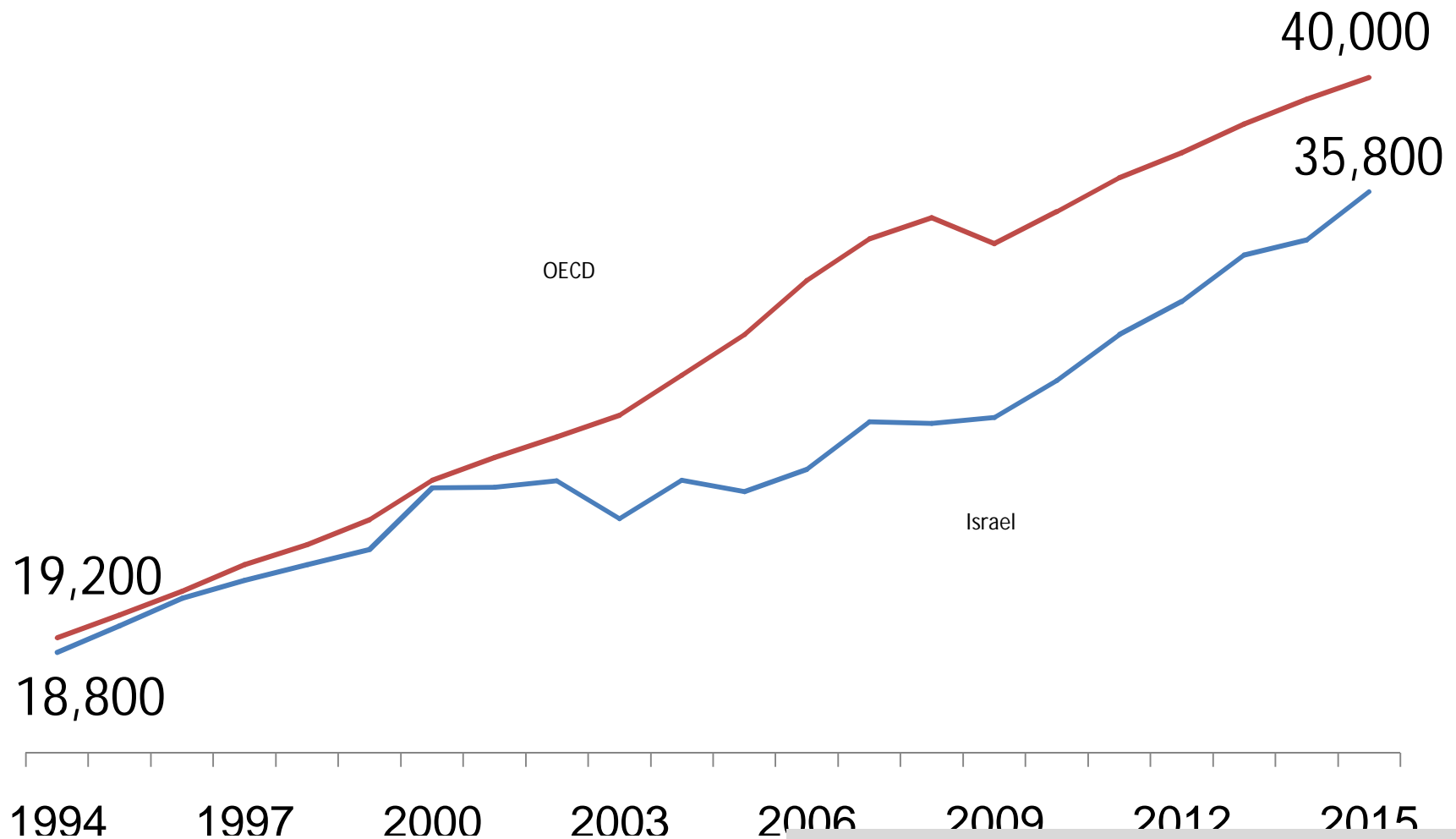
Gini Index for Inequality in OECD Countries (2013)



Source: OECD

# A persistent gap in GDP per capita since 2000

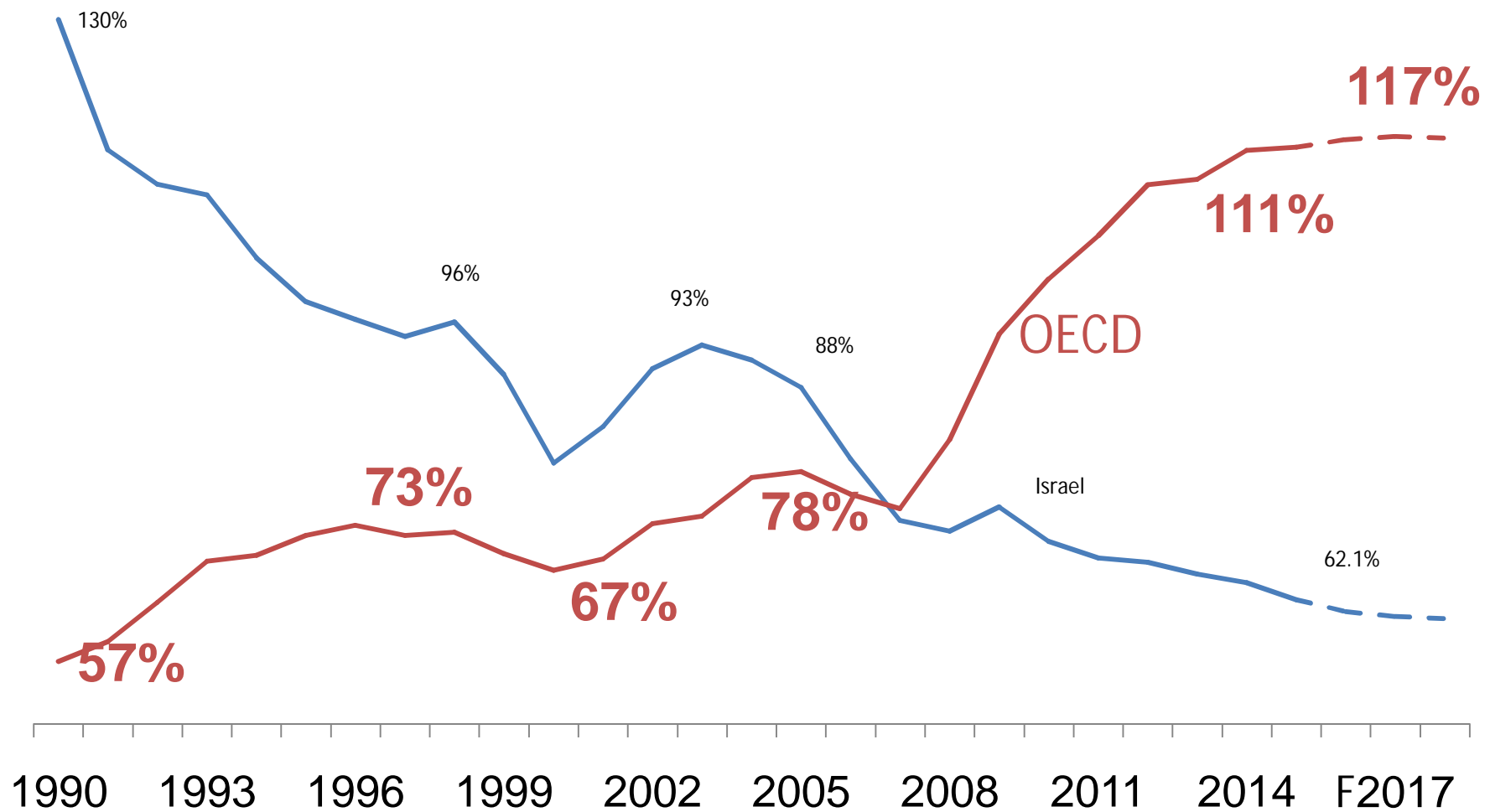
GDP per Capita, Current PPP



Source :OECD

# Israel's Debt-to-GDP Ratio Keeps Declining

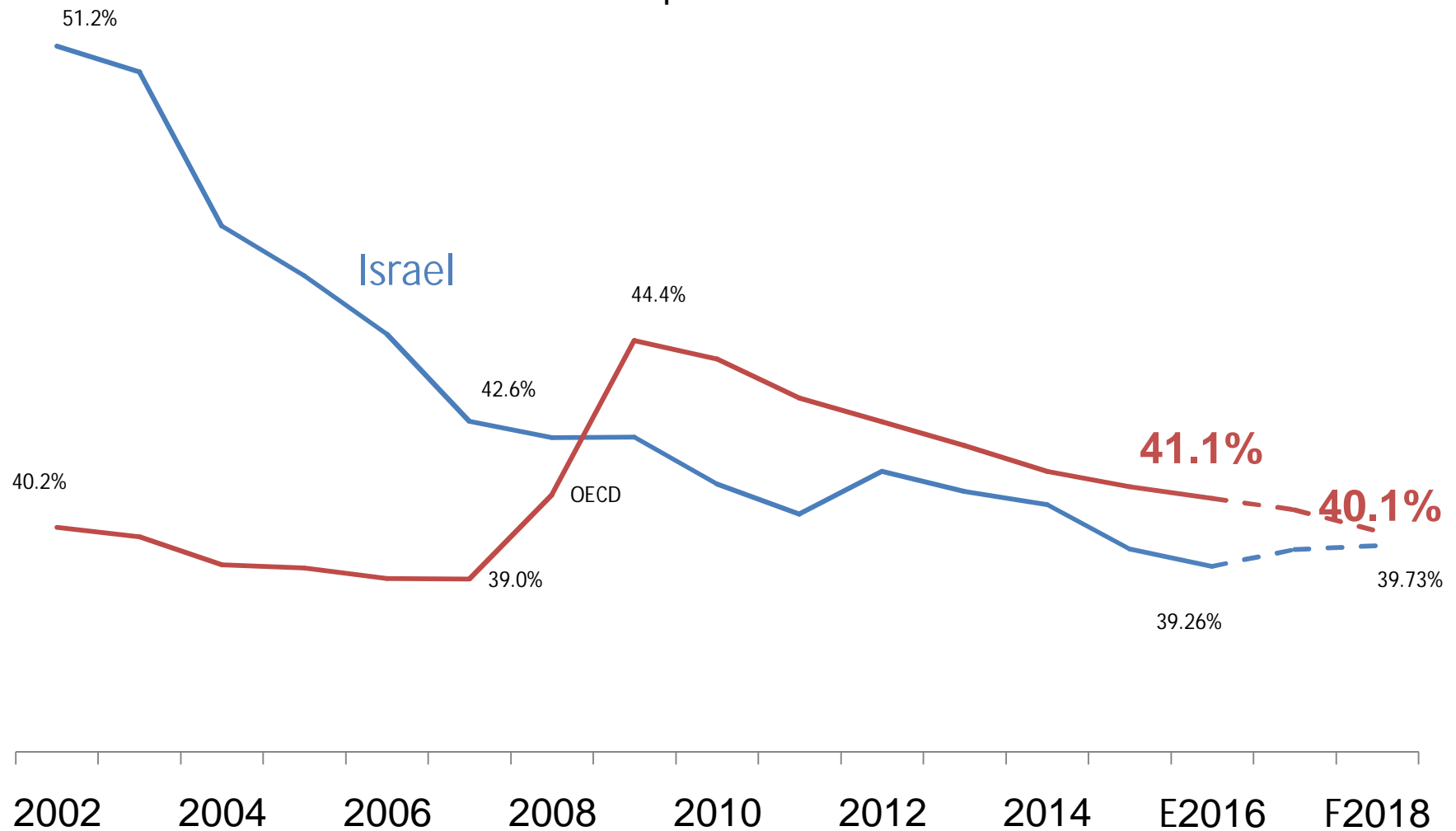
General Government Gross Debt-to-GDP Ratio



Source: OECD

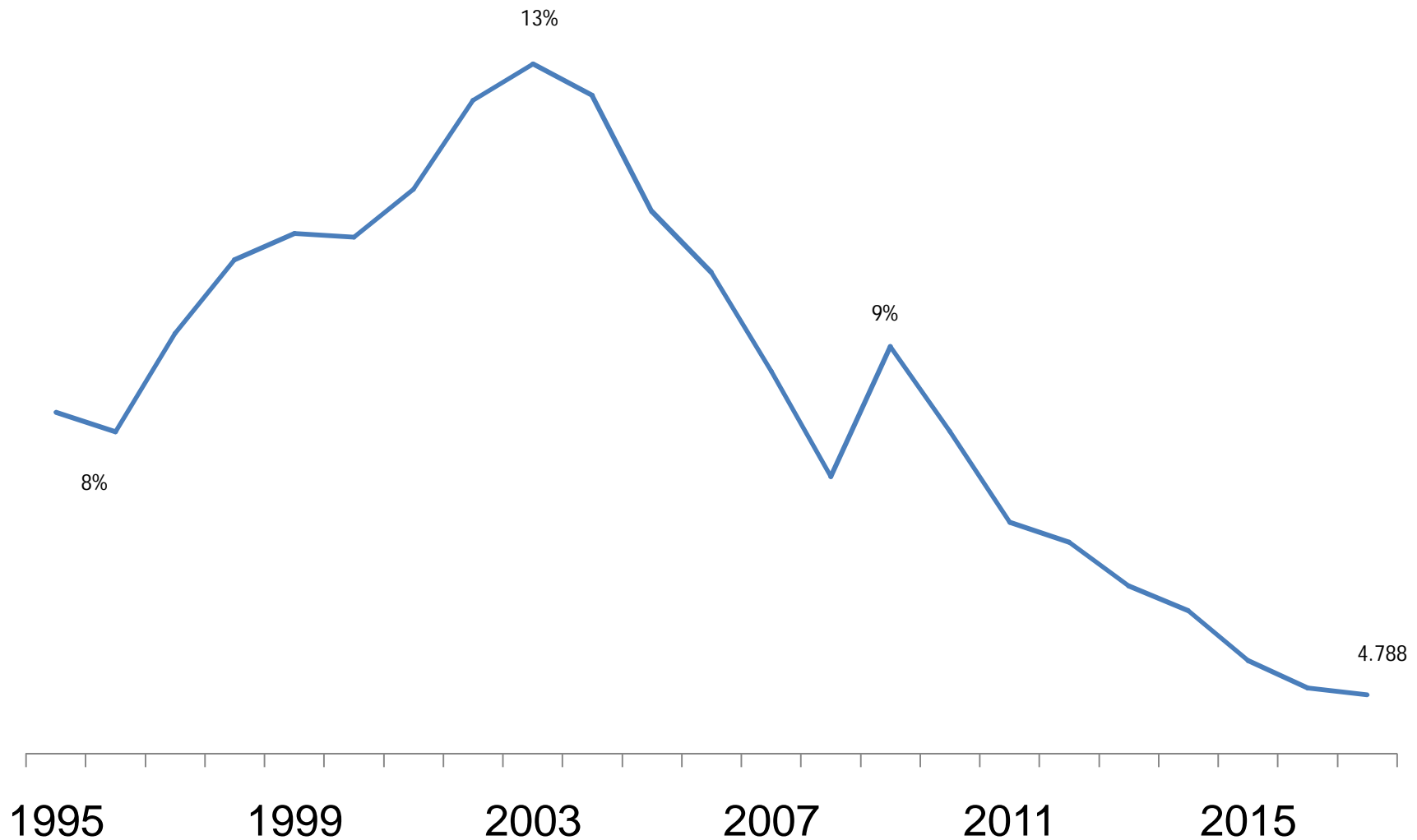
# The Government Becomes Less Involved in the Economy

Government Expenditure as % of GDP



Source: OECD

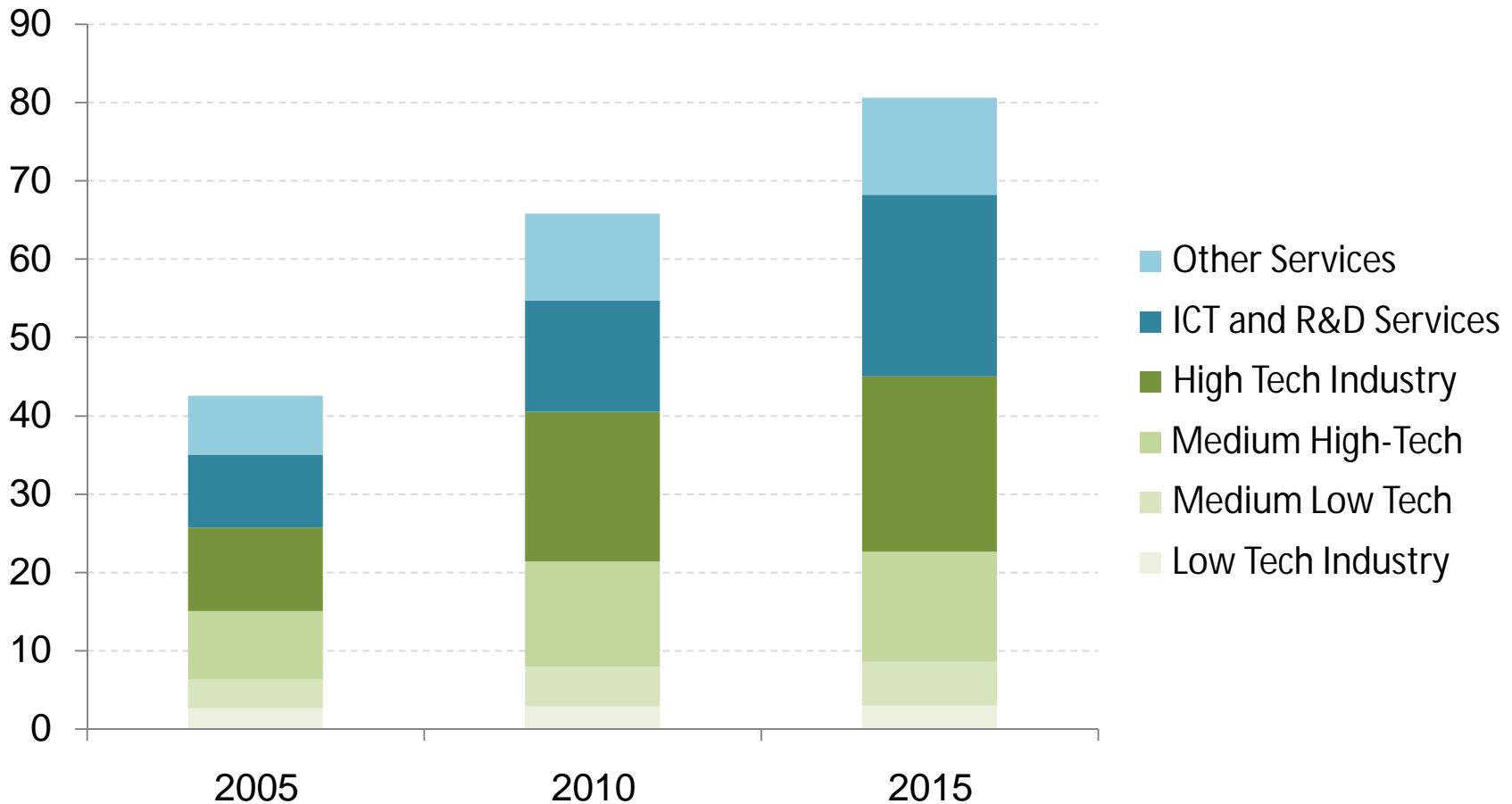
# Unemployment in Israel is at All-Time Low



Source: OECD

# Elite Technology Share in Israeli Export is Growing

Israeli Exports\* By Technology Intensity, Current US \$ (Billions)



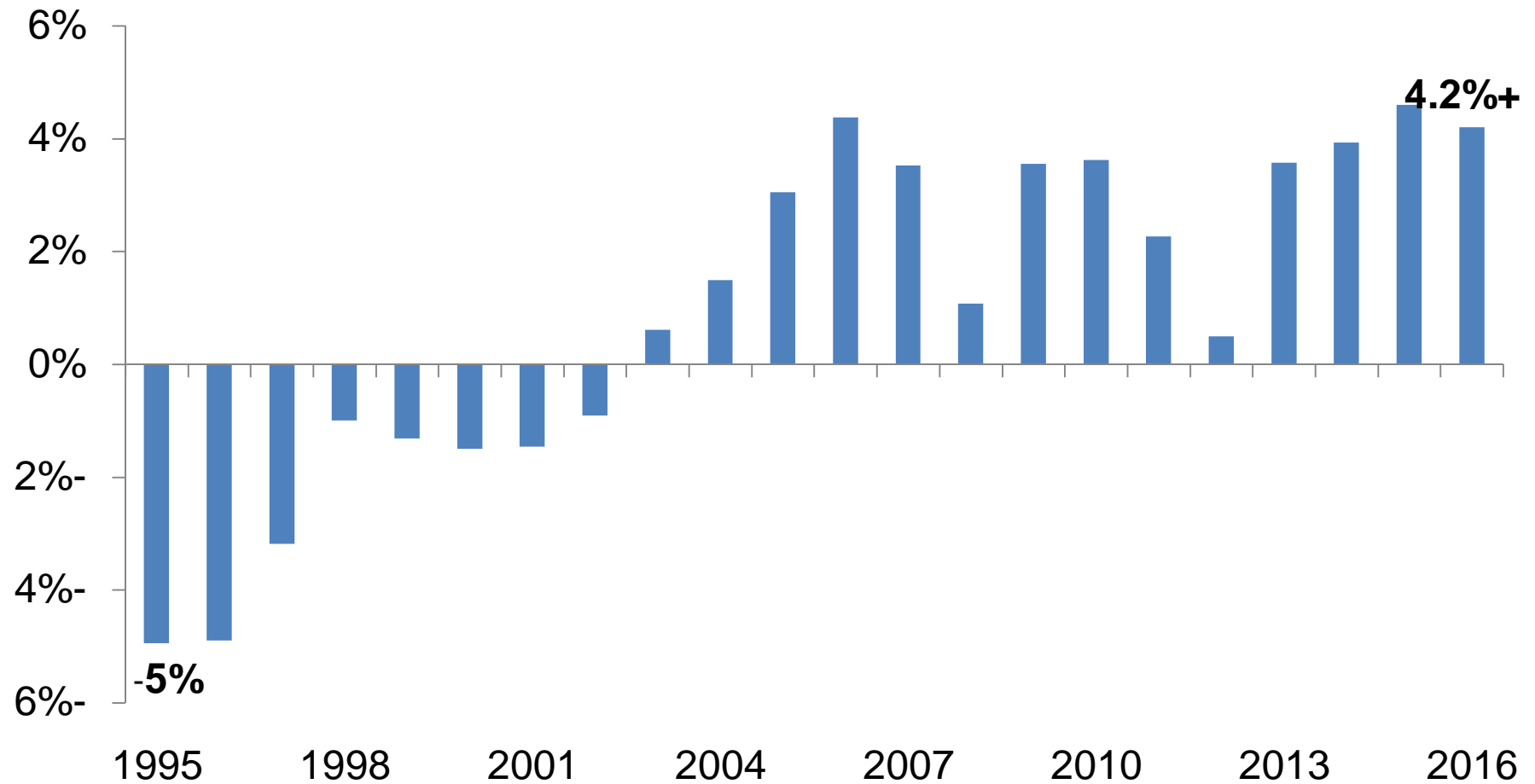
\*Excluding Diamonds and Agriculture

Source: Israeli Central Bureau of Statistics



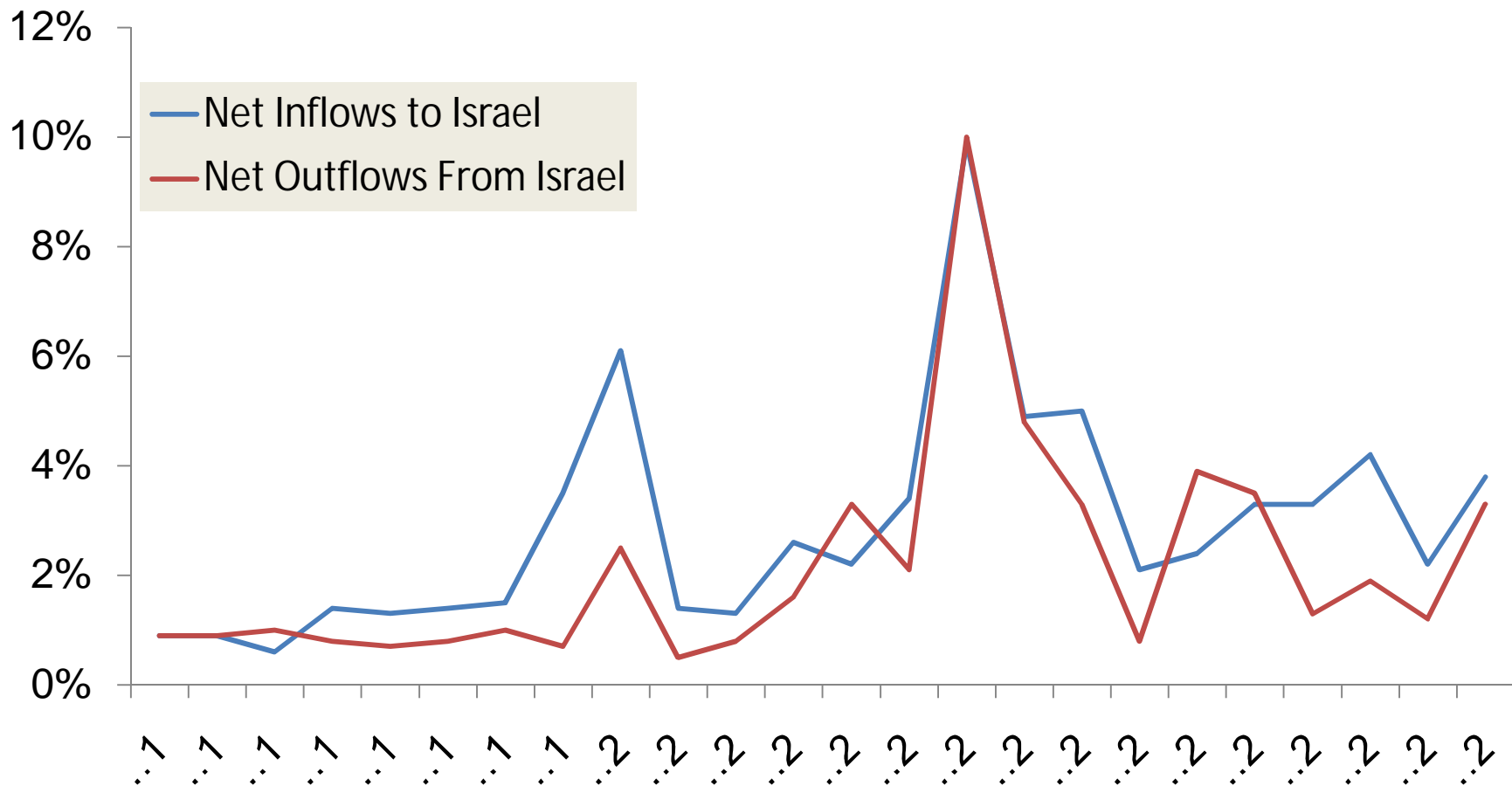
# The Israeli Economy Had Undergone Major Shifts During Recent Decades

Current Account Balance (% GDP)



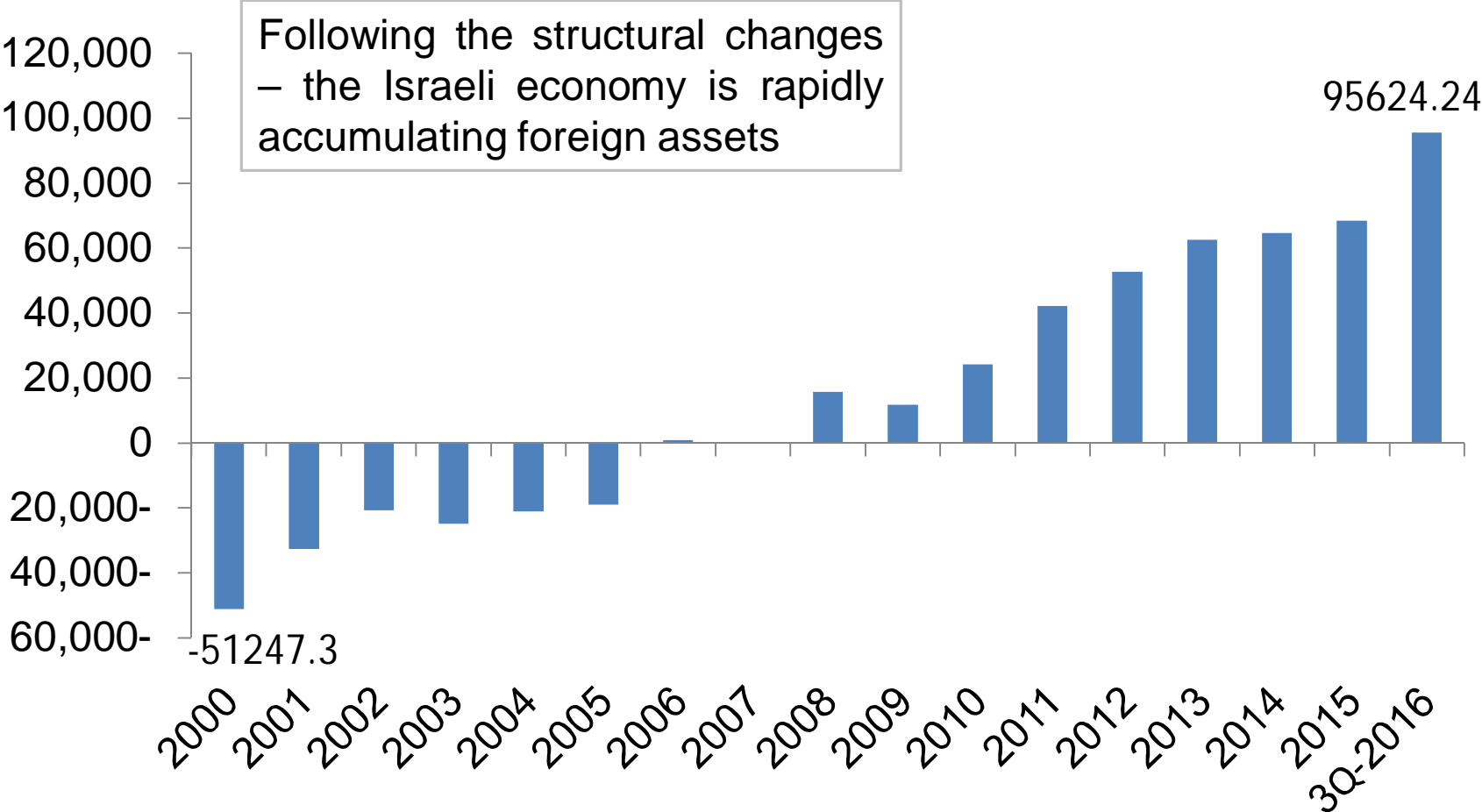
# In Recent Decades Israeli Economy Has Become More Integrated

Foreign Direct Investment (% of GDP)



Source: World Bank

# The Economy's Net Assets (\$ Millions)

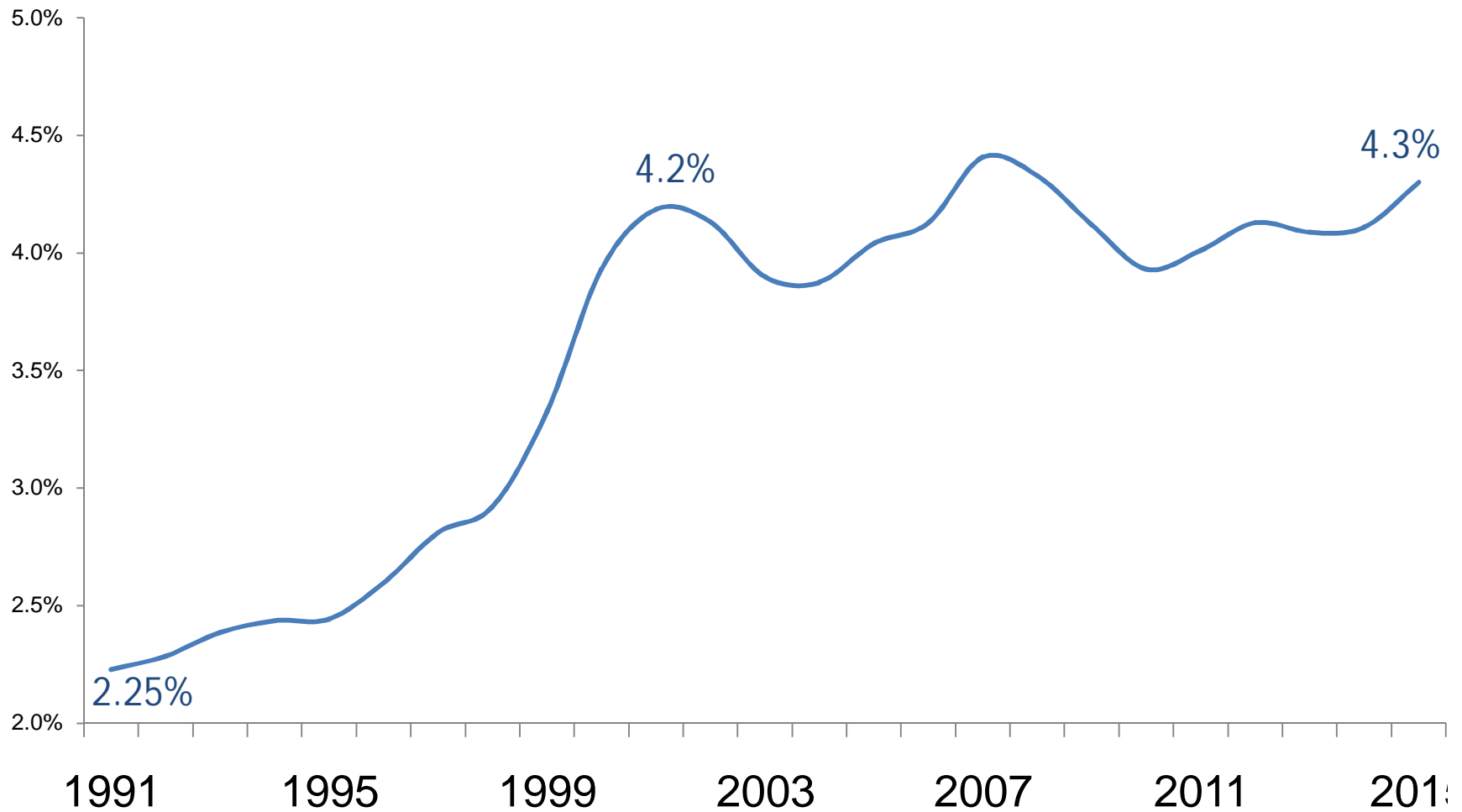




# Israeli High Tech as an Engine for Growth



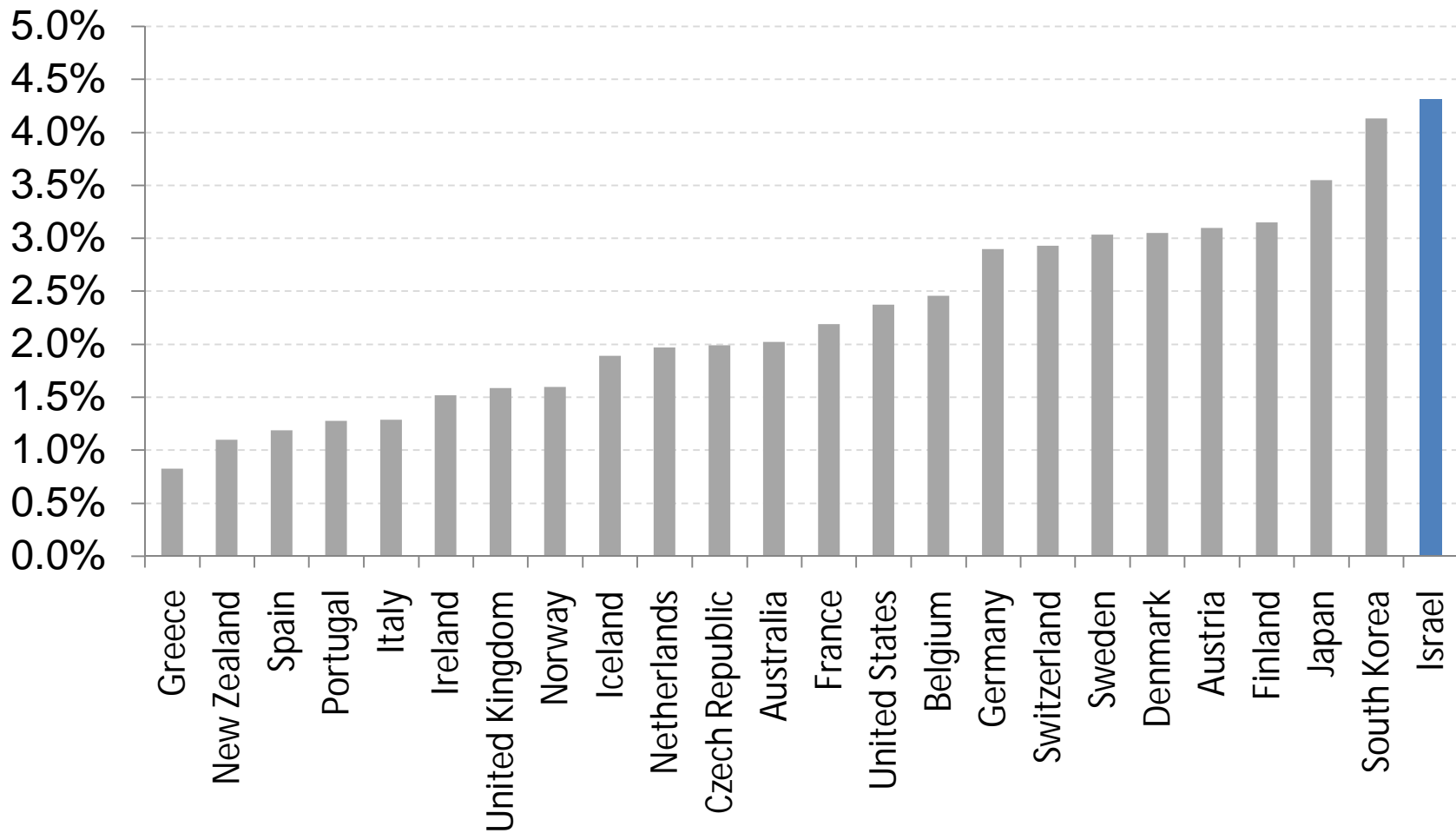
# Big Leap in R&D Expenditure in the 90s (% of GDP)



Source: OECD

# Israeli Expenditure on R&D is Highest Among OECD Countries

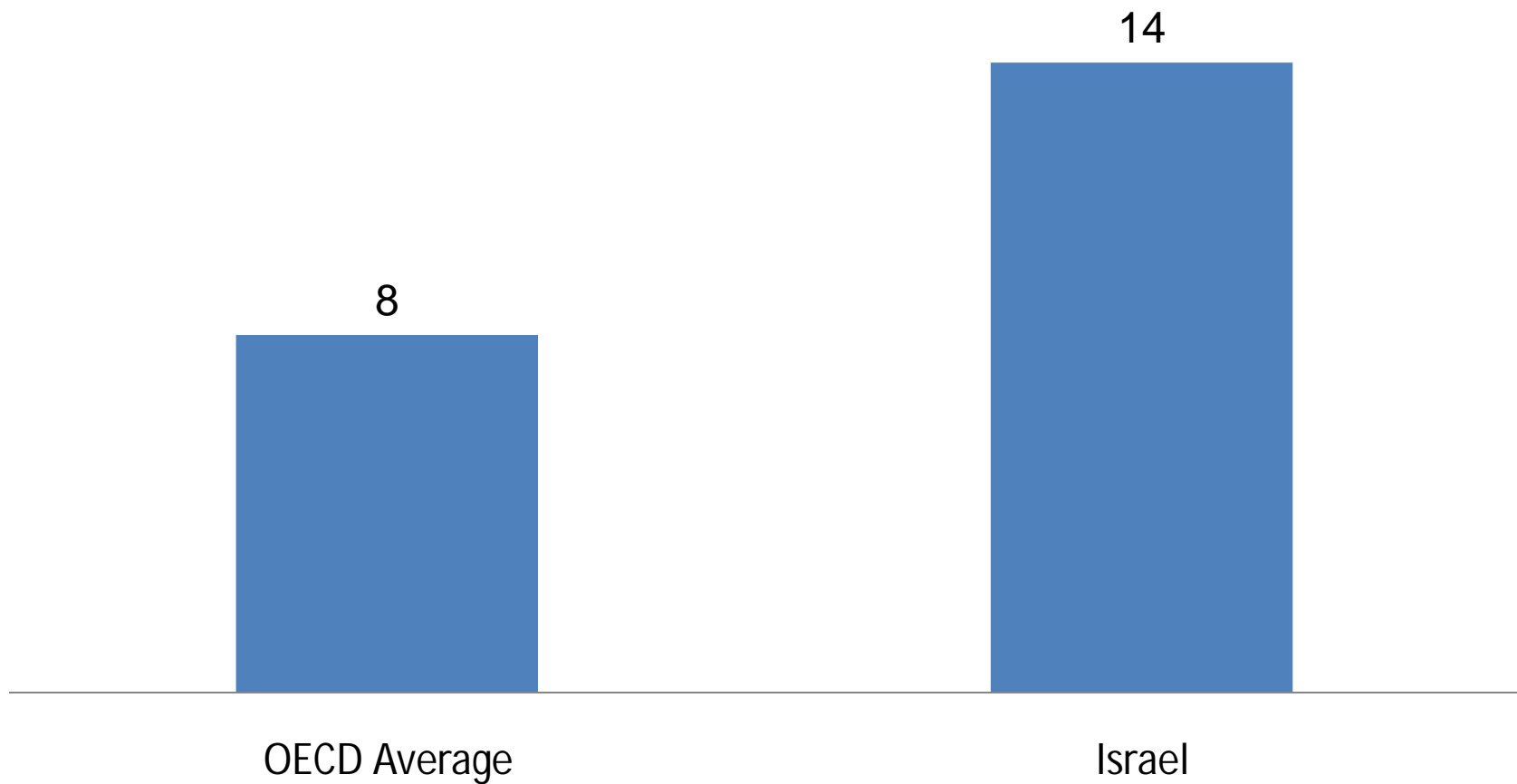
Expenditure on Civilian R&D as % of GDP, **2014**



Source: OECD

# The Key to Israel's Success is its Human Capital

Researchers in the R&D sector, per thousand employees, 2012



Source: OECD

# Attracting Over 300 Multinational R&D Centers

Google™

PHILIPS

SAMSUNG

GM



intel™

Ford

Deutsche Telekom

hp

IBM®

SIEMENS

CISCO™

Microsoft

Johnson & Johnson

SONY

BROADCOM.



ebay

TEXAS INSTRUMENTS



APPLIED MATERIALS®

HUAWEI

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# Many of Which are the Biggest Outside the U.S



Source: Innovation Authority

# Israel is Hosting a Startup Friendly Ecosystem

Global startup Ecosystem ranking (2015):

1. Silicon Valley
2. New York
3. Los Angeles
4. Boston
5. Tel Aviv
6. London
7. Chicago
8. Seattle
9. Berlin
10. Singapore
11. Paris
12. Sao Paulo
13. Moscow
14. Austin
15. Bangalore

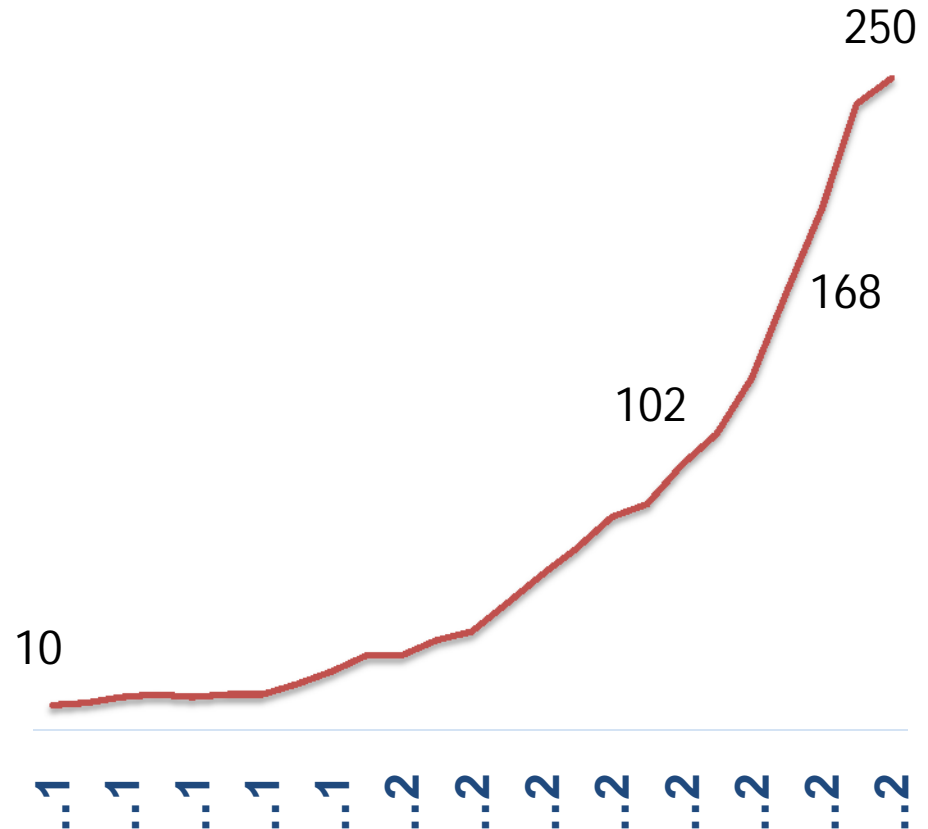


Source: Compass.co

# Israel is Becoming a Major .. In Cyber Industry

- Generating 5% of Worldwide Revenues
- Attracting 10% of Worldwide Investments

Number of Active Cyber Companies Active in Israel



Source: The National Cyber Bureau



Thank You

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