



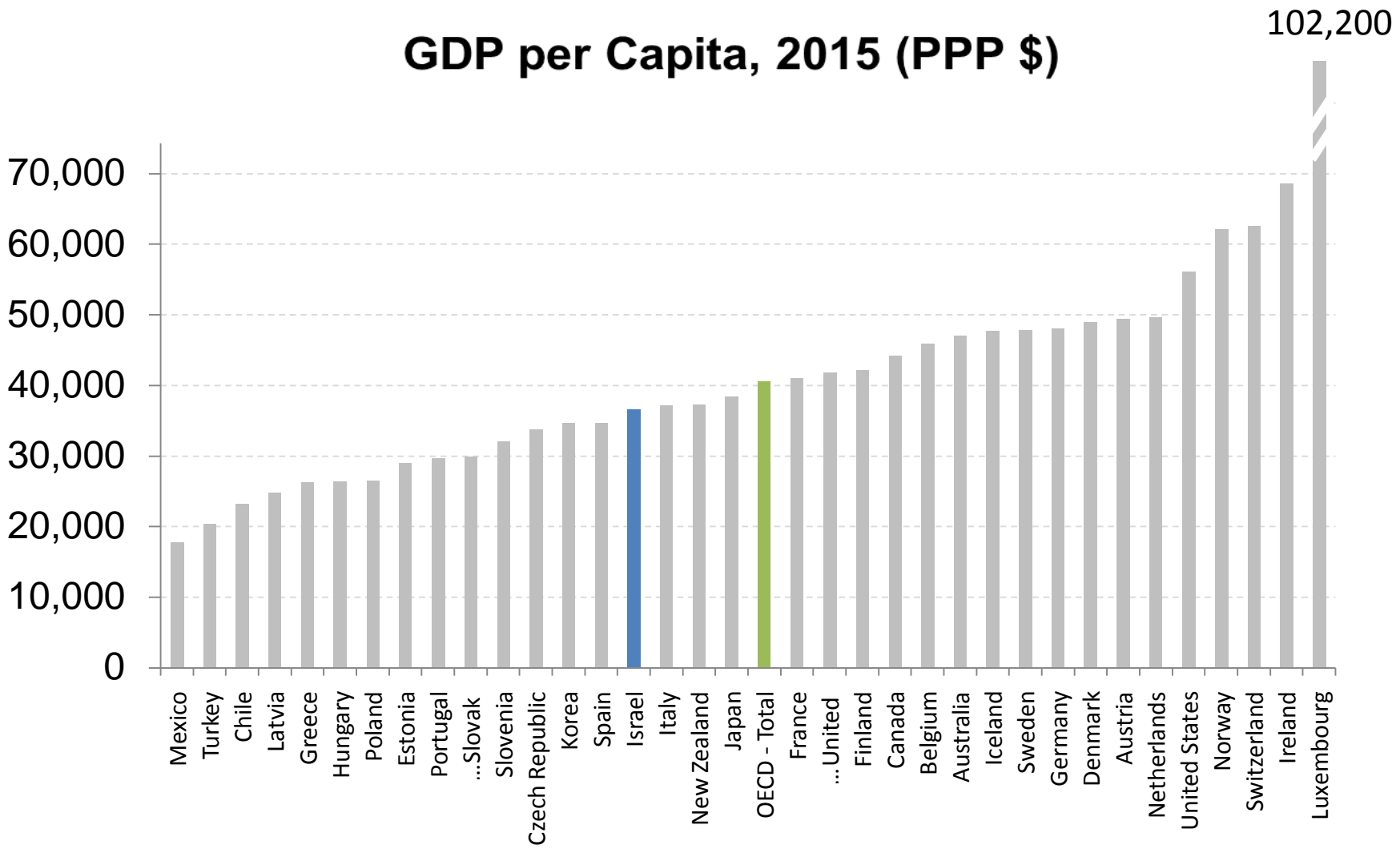
Prime Minister's Office

The Israeli Economy: Prospects and Challenges

Prof. Avi Simhon, Head of the National Economic Council

February 2017

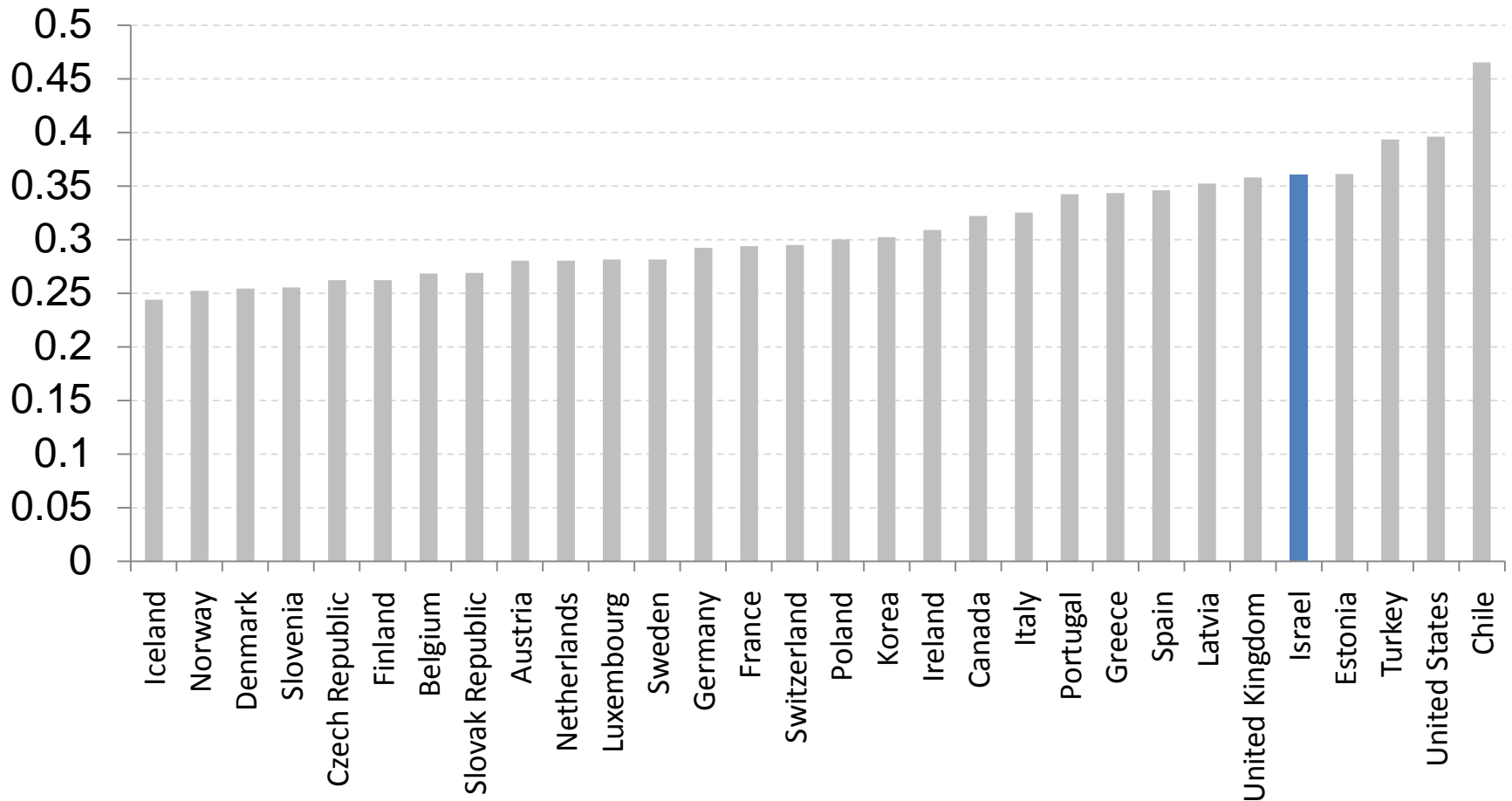
Israel's GDP per capita is below OECD average



Source: OECD

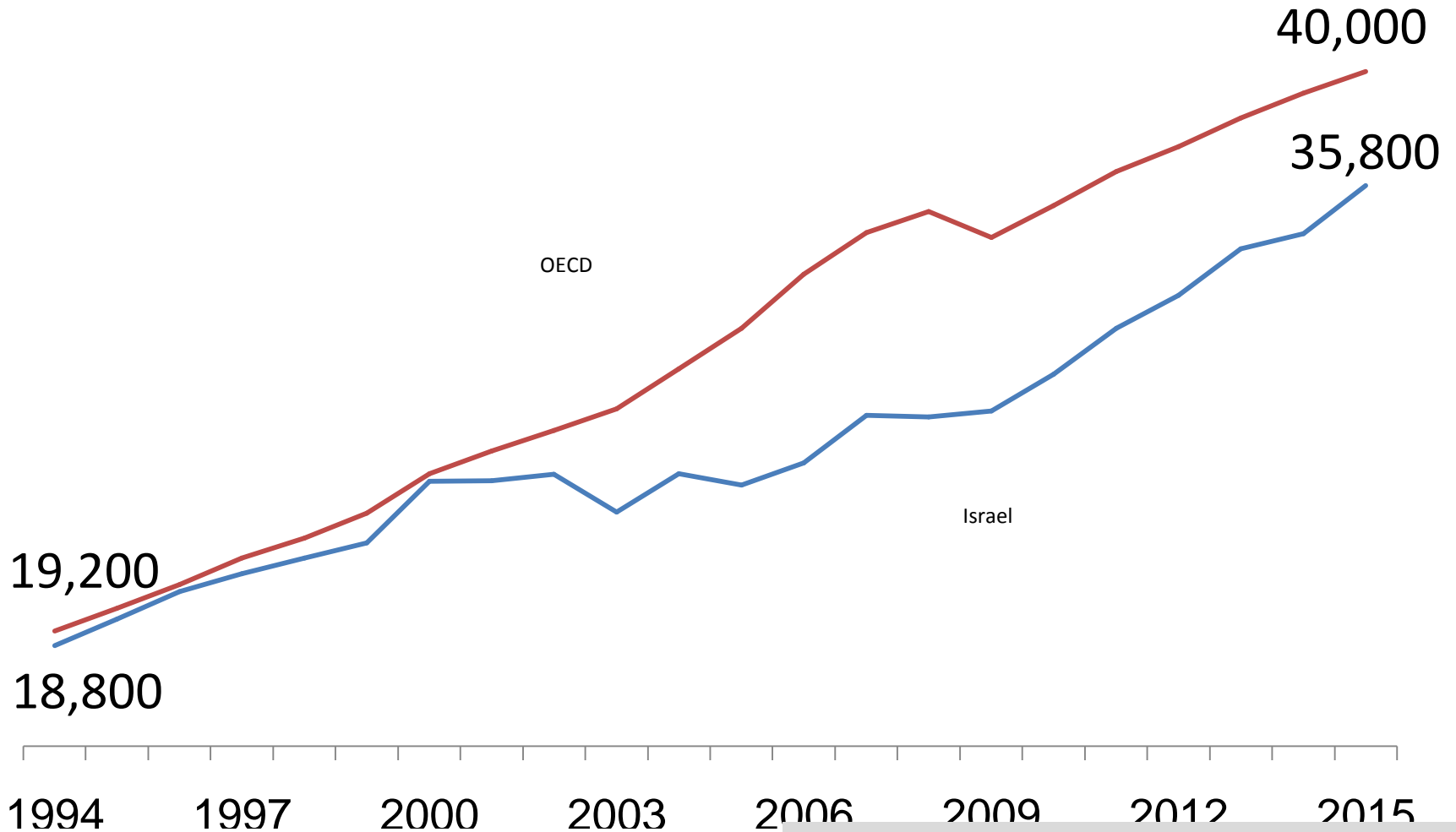
While inequality is relatively high

Gini Index for Inequality in OECD Countries (2013)



A persistent gap in GDP per capita since 2000

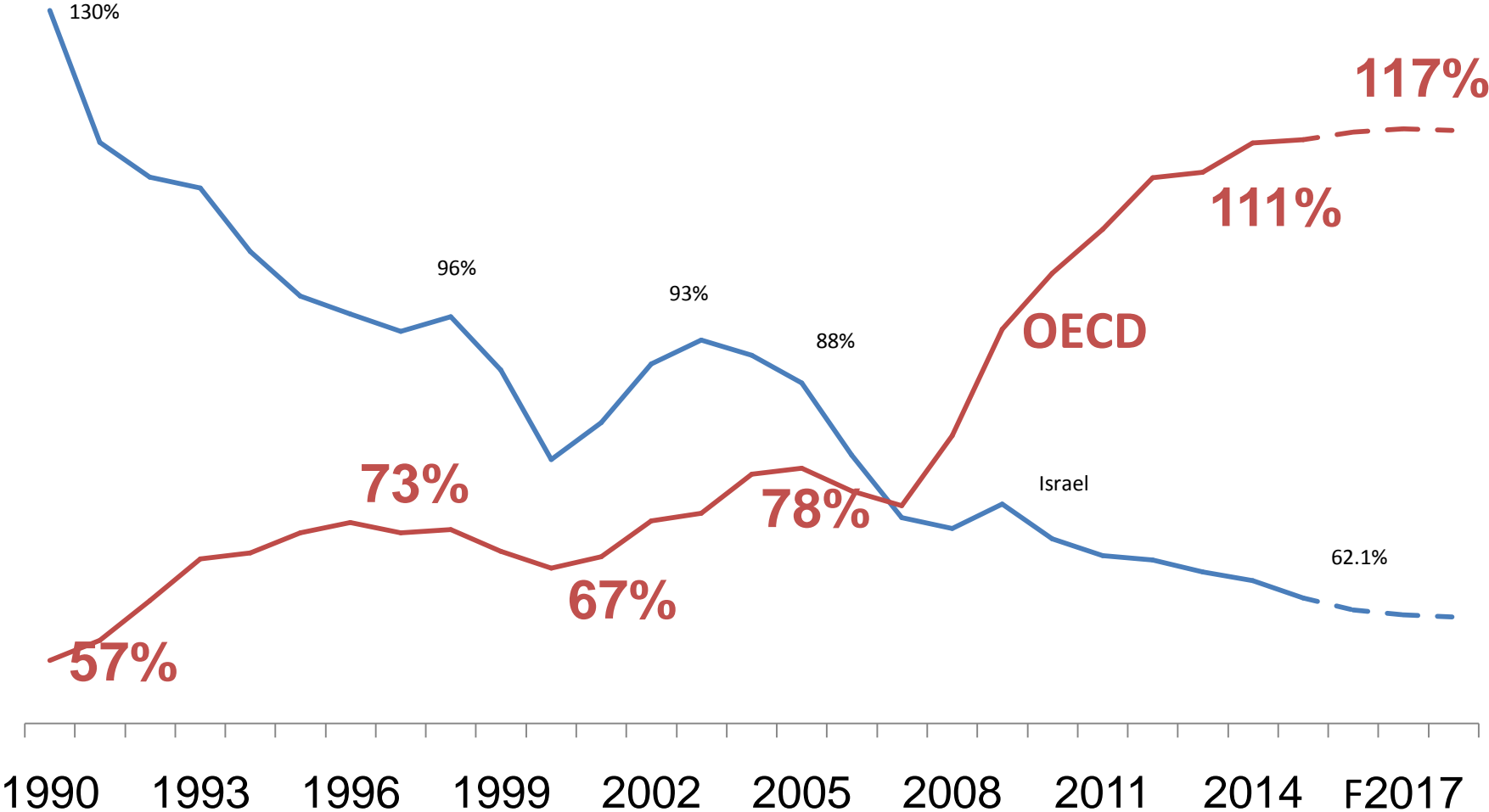
GDP per Capita, Current PPP



Source :OECD

Israel's Debt-to-GDP Ratio Keeps Declining

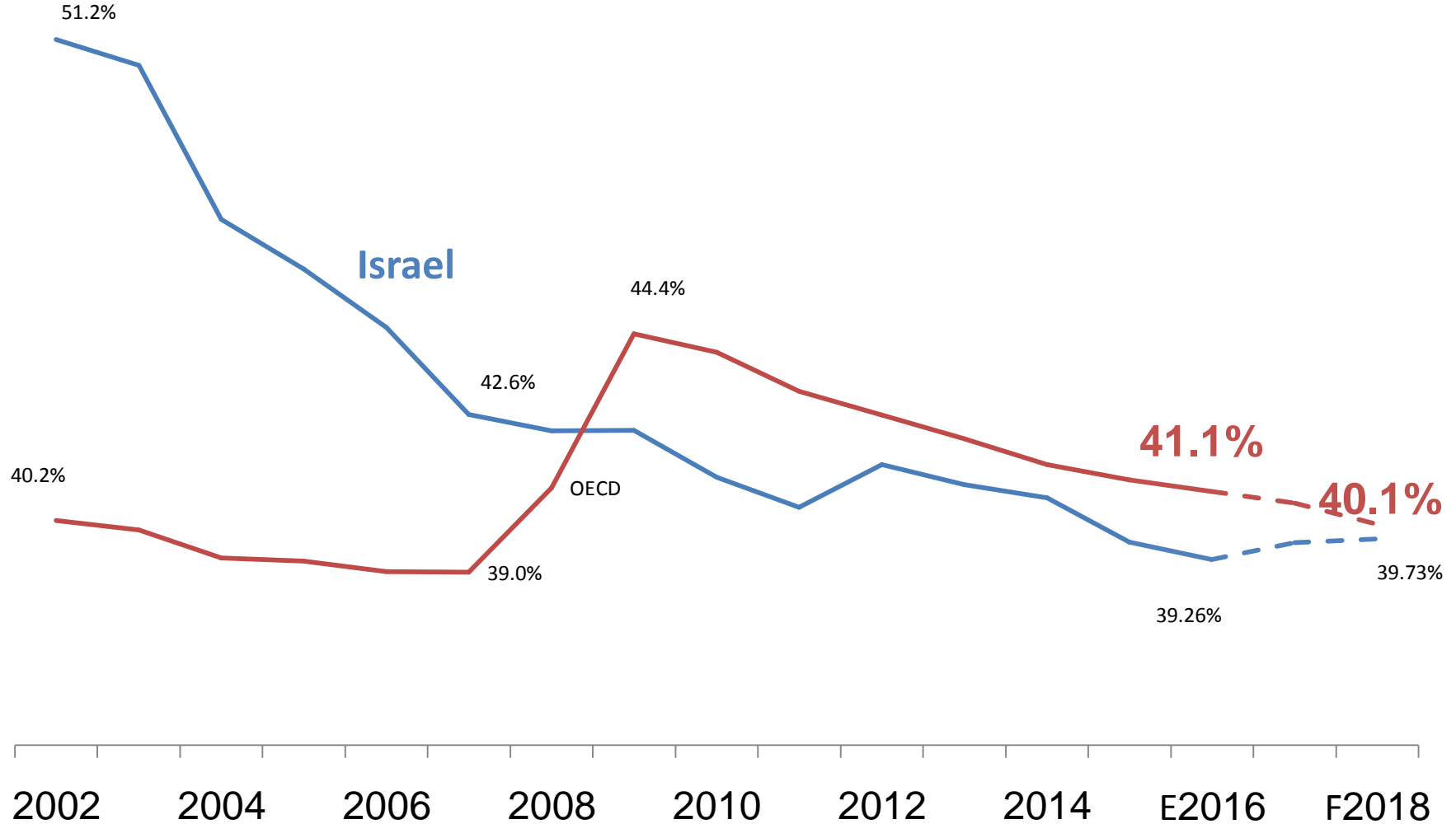
General Government Gross Debt-to-GDP Ratio



Source: OECD

The Government Becomes Less Involved in the Economy

Government Expenditure as % of GDP



Source: OECD

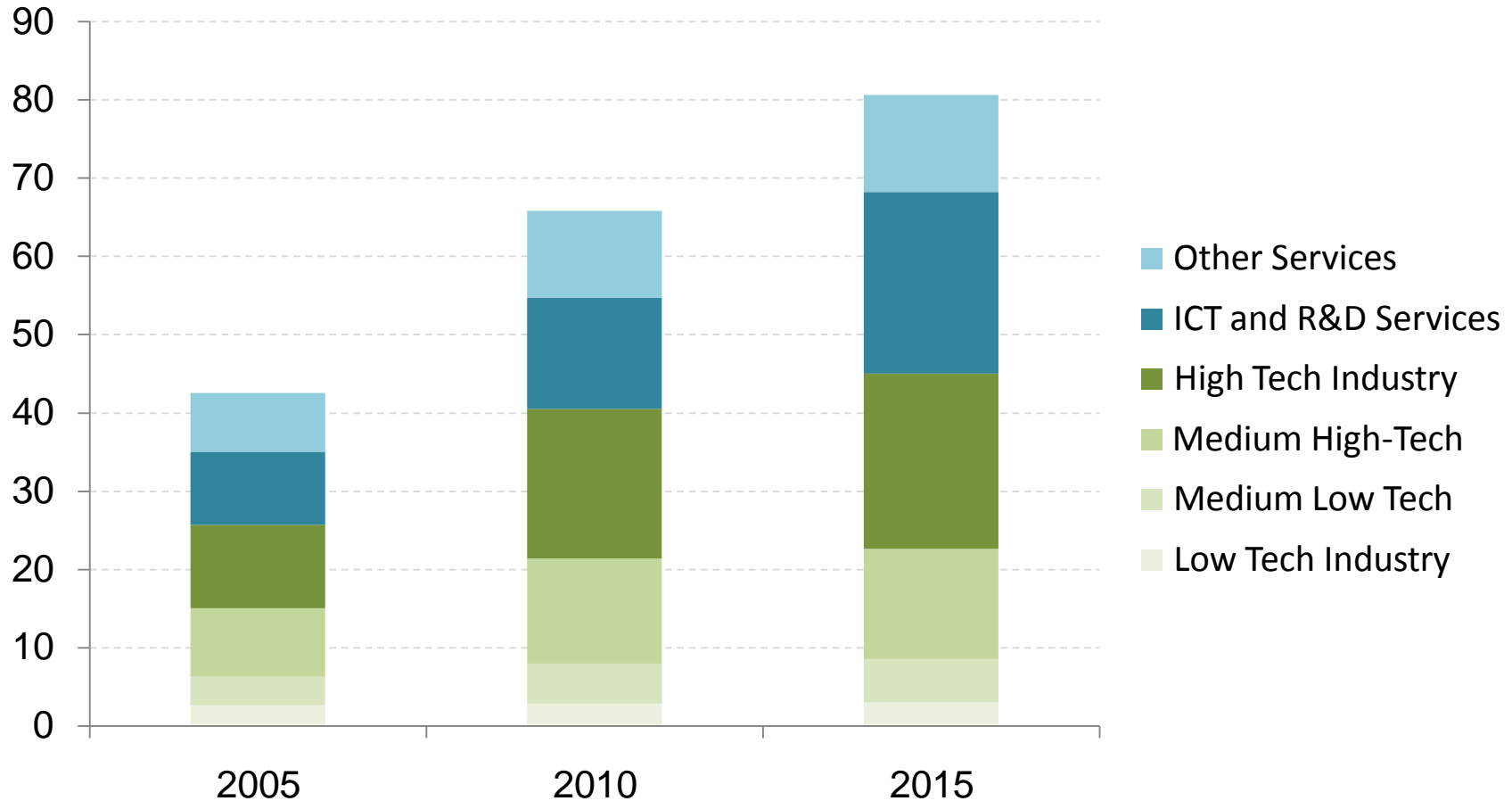
Unemployment in Israel is at All-Time Low



Source: OECD

Elite Technology Share in Israeli Export is Growing

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

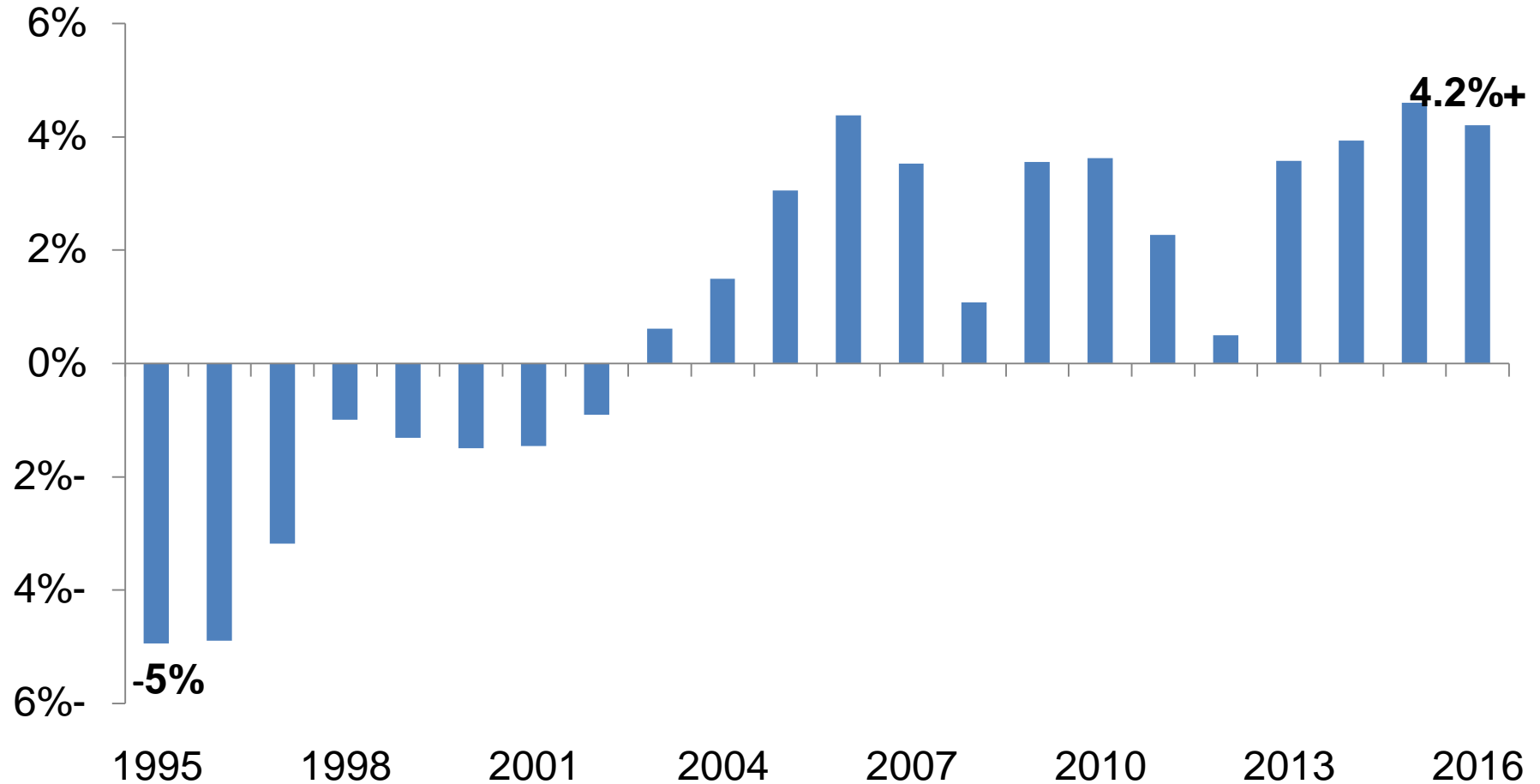


*Excluding Diamonds
and Agriculture

Source: Israeli Central Bureau of Statistics

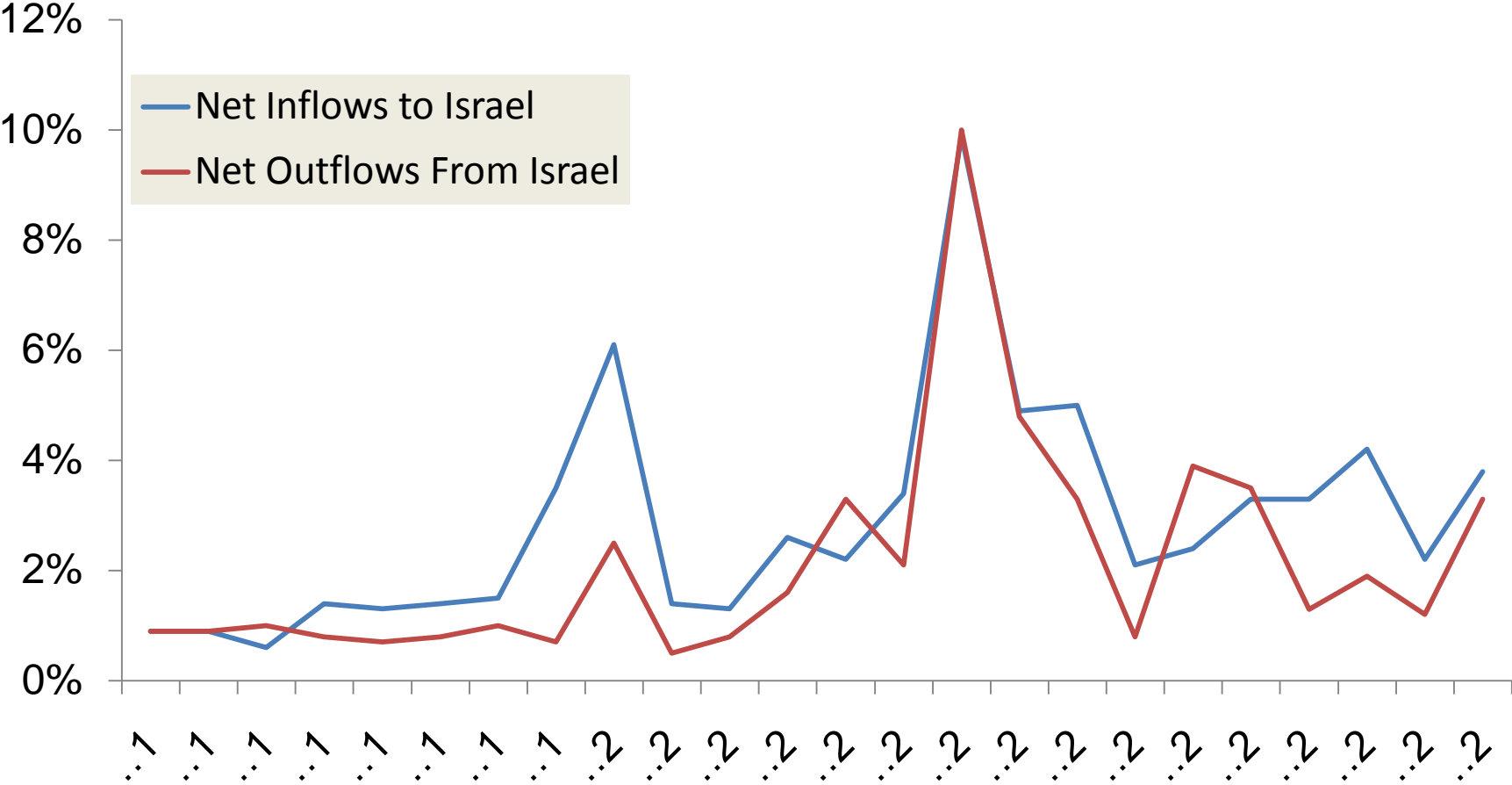
The Israeli Economy Had Undergone Major Shifts During Recent Decades

Current Account Balance (% GDP)



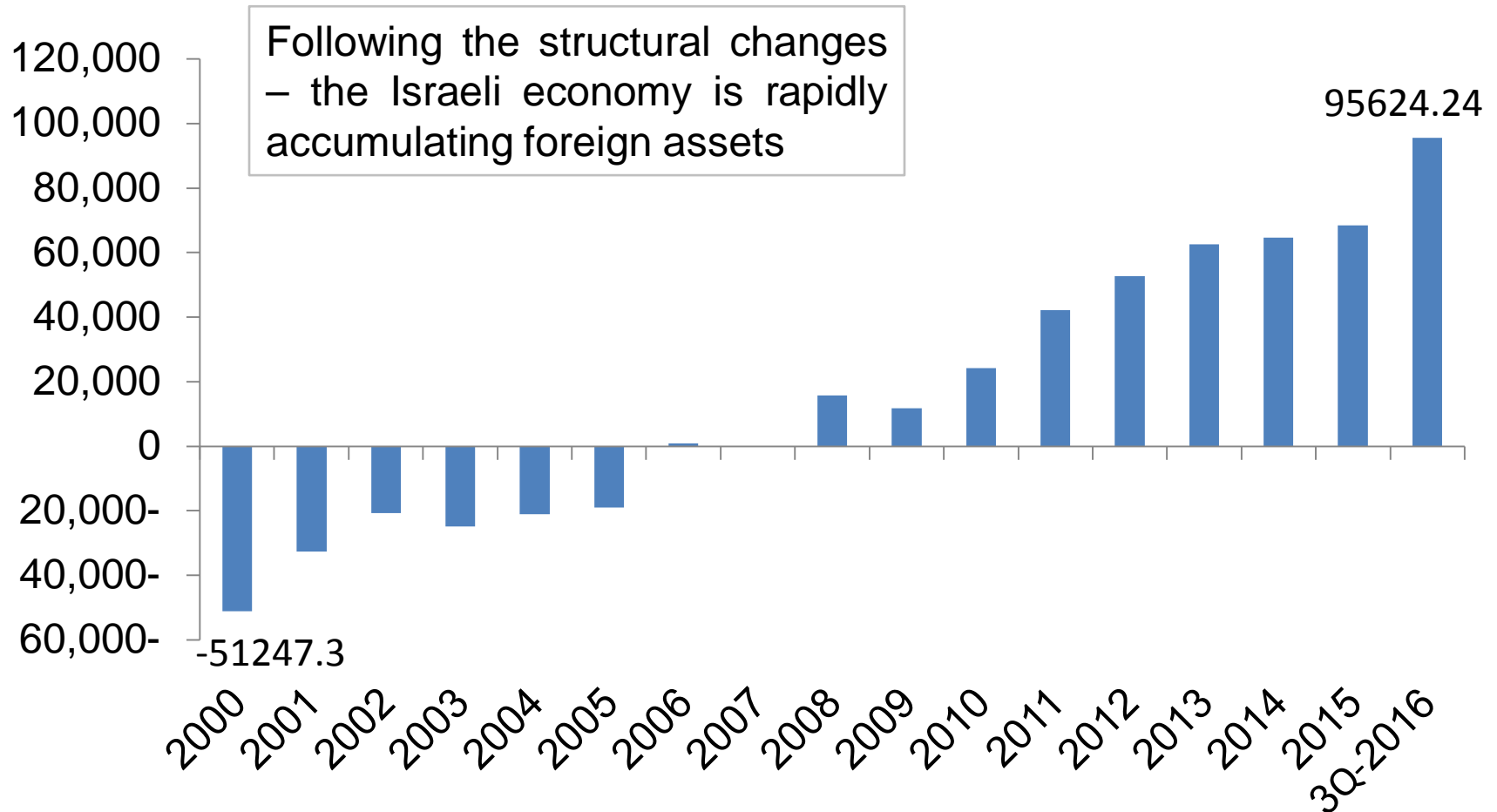
In Recent Decades Israeli Economy Has Become More Integrated

Foreign Direct Investment (% of GDP)



Source: World Bank

The Economy's Net Assets (\$ Millions)

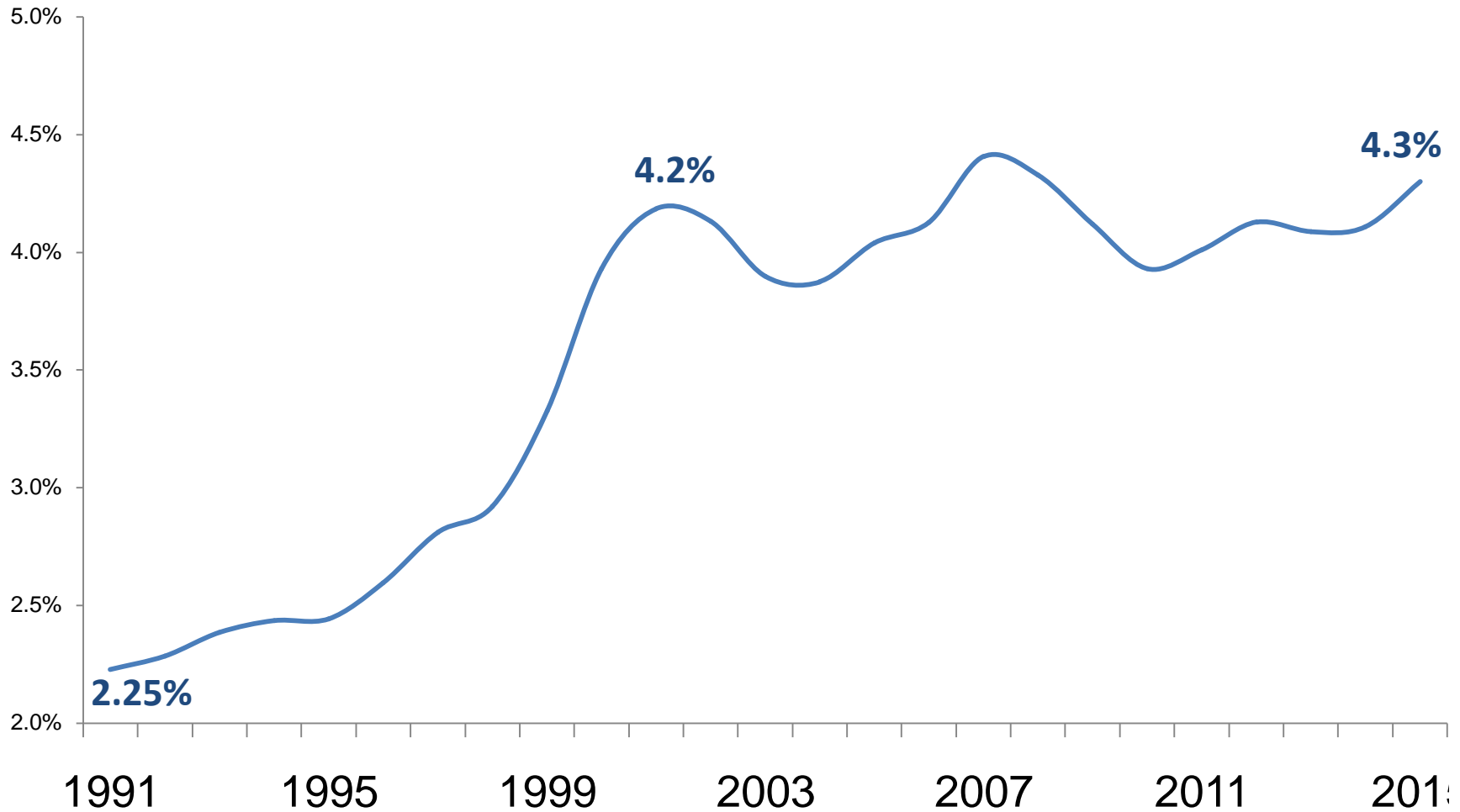




Israeli High Tech as an Engine for Growth



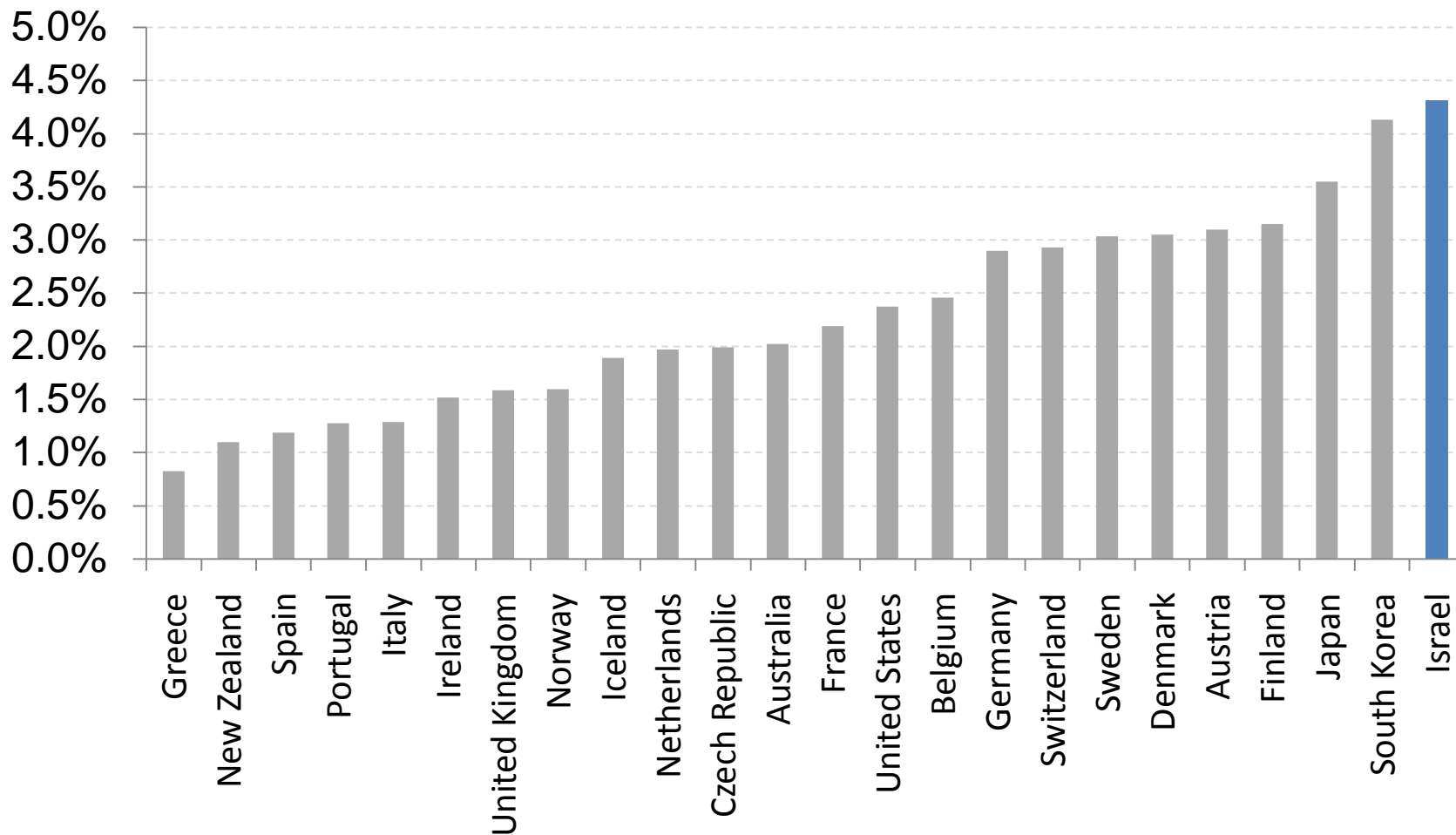
Big Leap in R&D Expenditure in the 90s (% of GDP)



Source: OECD

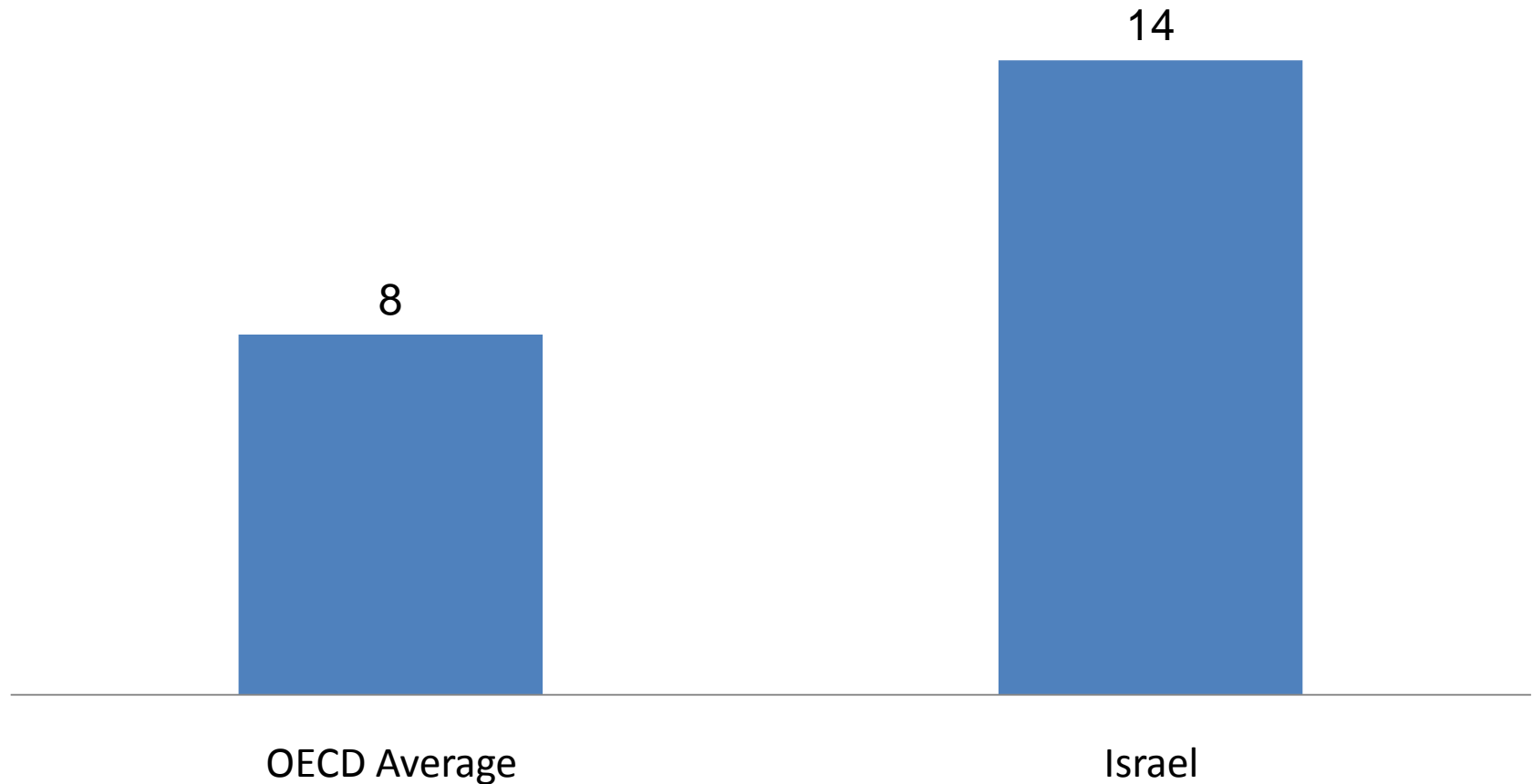
Israeli Expenditure on R&D is Highest Among OECD Countries

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



The Key to Israel's Success is its Human Capital

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



Attracting Over 300 Multinational R&D Centers



Many of Which are the Biggest Outside the U.S



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

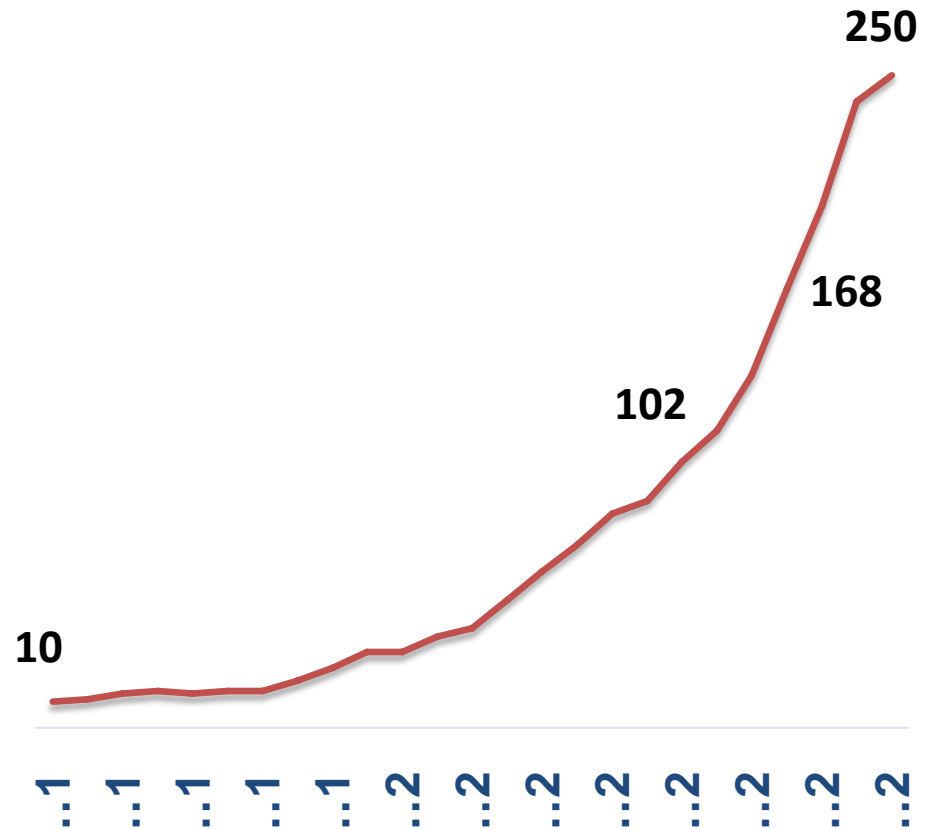


Source: Compass.co

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





Thank You
