



Trends Analysis in the Israeli Automotive Market

Q4/2023

PREFACE



Israel Vehicle Importers Association (I-via) publishes this quarterly overview to offer a comprehensive analysis of the Israeli market for new vehicles, highlighting relevant trends observed over the years.

It should be noted that the data presented in this document pertains to passenger cars and light commercial vehicles weighing up to 3.5 tons, falling within the N1+M1 categories (as classified by the EU), and imported solely by direct importers.

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Israel Vehicle Importers Association (I-via)

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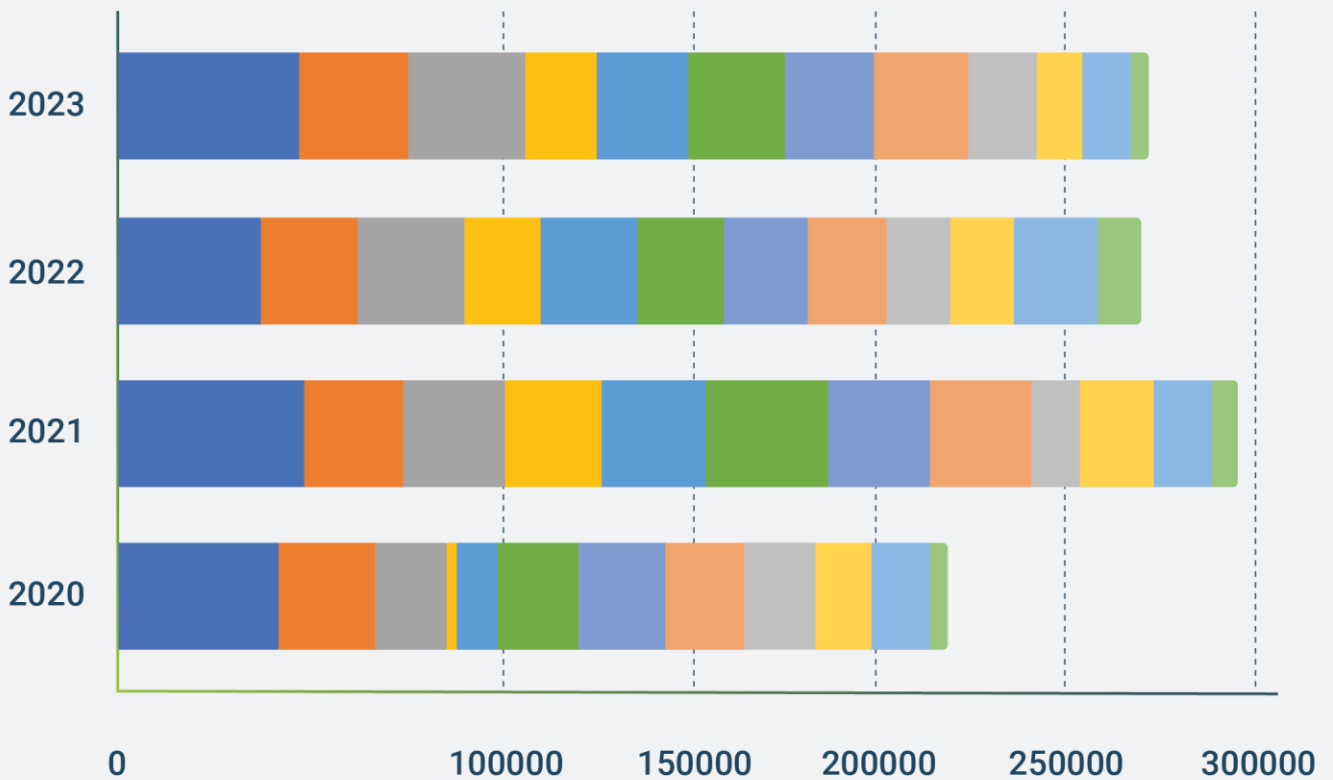
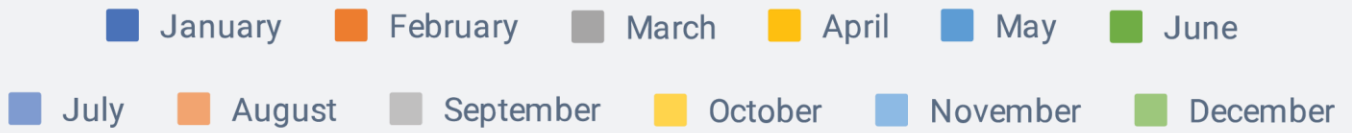
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The data analysis was performed in collaboration with Carzone Technologies Ltd.

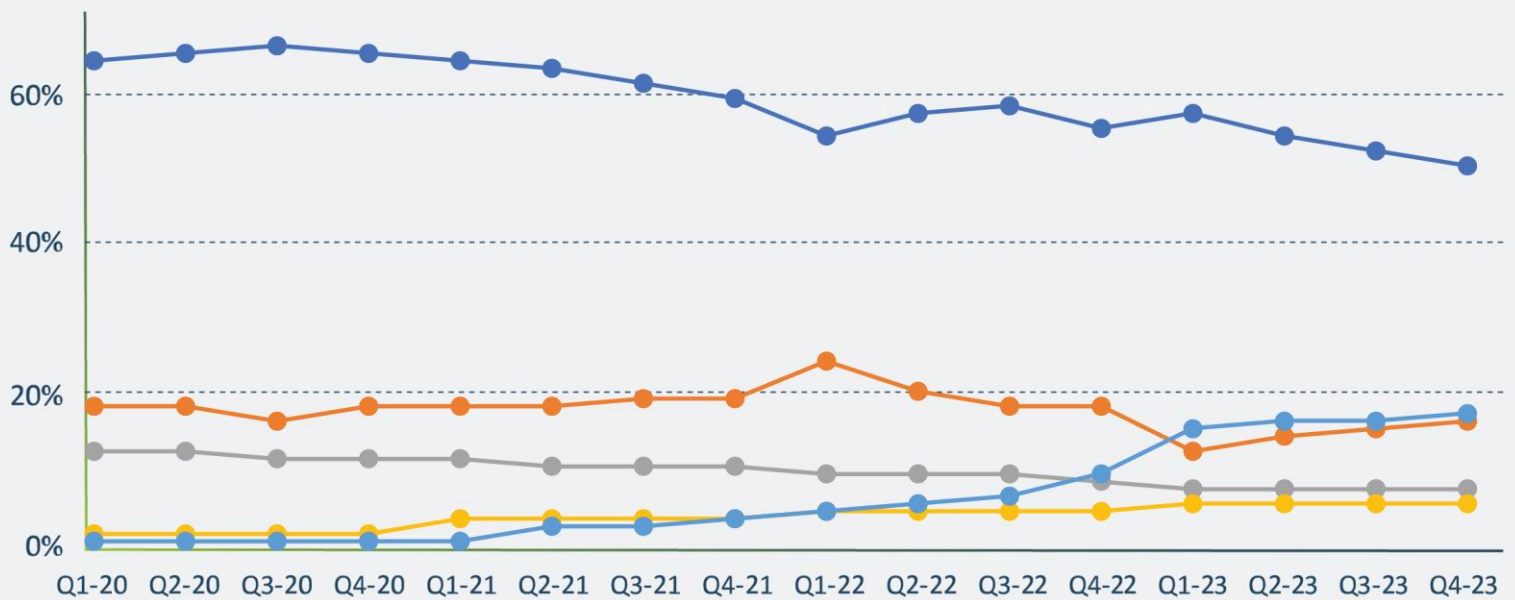
REGISTRATION DATA



REGISTRATION BY ENGINE TYPE



● Petrol ● hybrid ● Diesel ● phev ● Electric



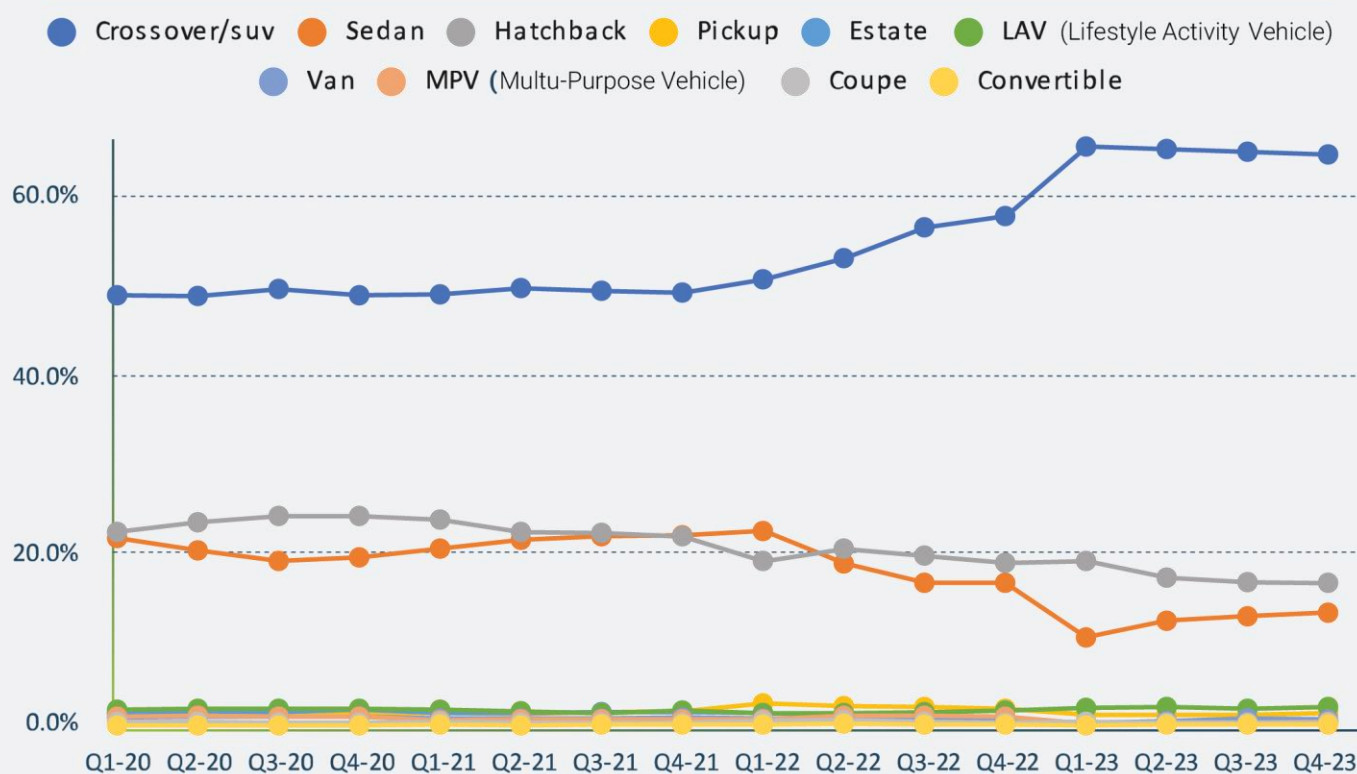
It should be noted that the data presented in the graph in relation to each quarter in given year, are cumulative data from the beginning of that year.

In Q4 2023, the trend towards alternative fuel vehicles in Israel's automotive market persisted. Petrol vehicle registrations fell to 51%, continuing their decline from 53% in Q3 2023 and down from 56% in Q4 2022, illustrating a steady move away from petrol dominance.

Electric vehicles saw their share increase to 18%, a 1% rise from Q3 2023, marking significant progress from Q4 2022's 10%, and a rapid climb from just 3% in Q4 2021. This growth confirms the accelerating adoption of electric vehicles.

Hybrids held firm at 17%, showing almost no change from the previous quarter but a dip from 19% in Q4 2022, reflecting a slight fluctuation in their market share over the year. Despite this, the commitment to hybrids remains notable.

REGISTRATION BY SEGMENT TYPE



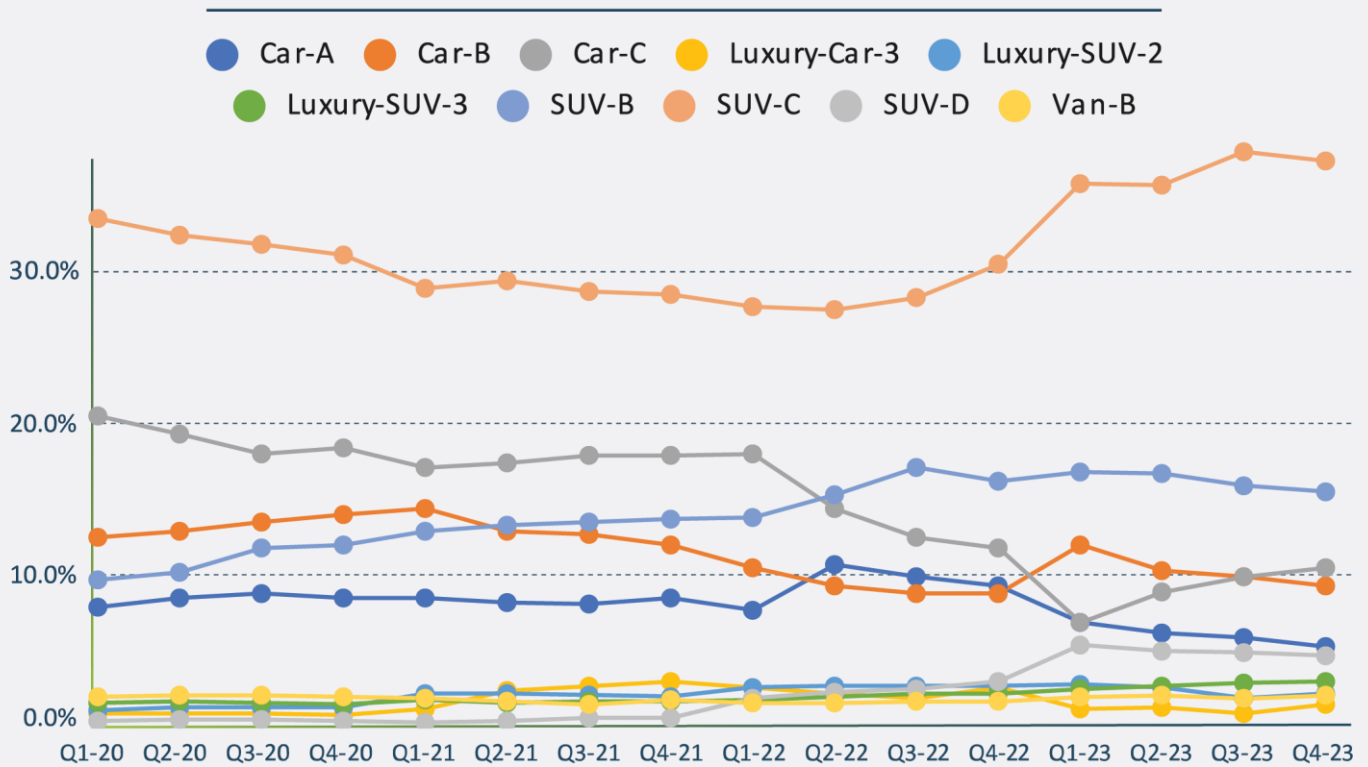
It should be noted that the data presented in the graph in relation to each quarter in given year, are cumulative data from the beginning of that year.

In Q4 2023, Crossover/SUV segments retained their strong position in the Israeli vehicle market, accounting for 65.0% of new vehicle registrations. This is a slight decrease from the 65.3% registered in the previous quarter (Q3 2023). However, the segment has shown remarkable year-over-year growth, up from 58% in Q4 2022 and a significant jump from 49.3% in Q4 2021, underscoring the growing consumer preference for this vehicle type.

Hatchbacks observed a decrease in market share to 16.3% in Q4 2023, down from 18.6% in Q4 2022. This also marks a reduction from the 21.6% held in Q4 2021, indicating a two-year declining trend for this segment.

Sedans experienced a reduction in their market share to 12.9% in Q4 2023, a decrease from 16.3% in Q4 2022, and substantially lower than the 21.7% seen in Q4 2021. This suggests that sedans are facing a decreasing market presence over a period marked by increasing competition from Crossover/SUVs.

REGISTRATION BY CATEGORY



It should be noted that the data presented in the graph in relation to each quarter in given year, are cumulative data from the beginning of that year.

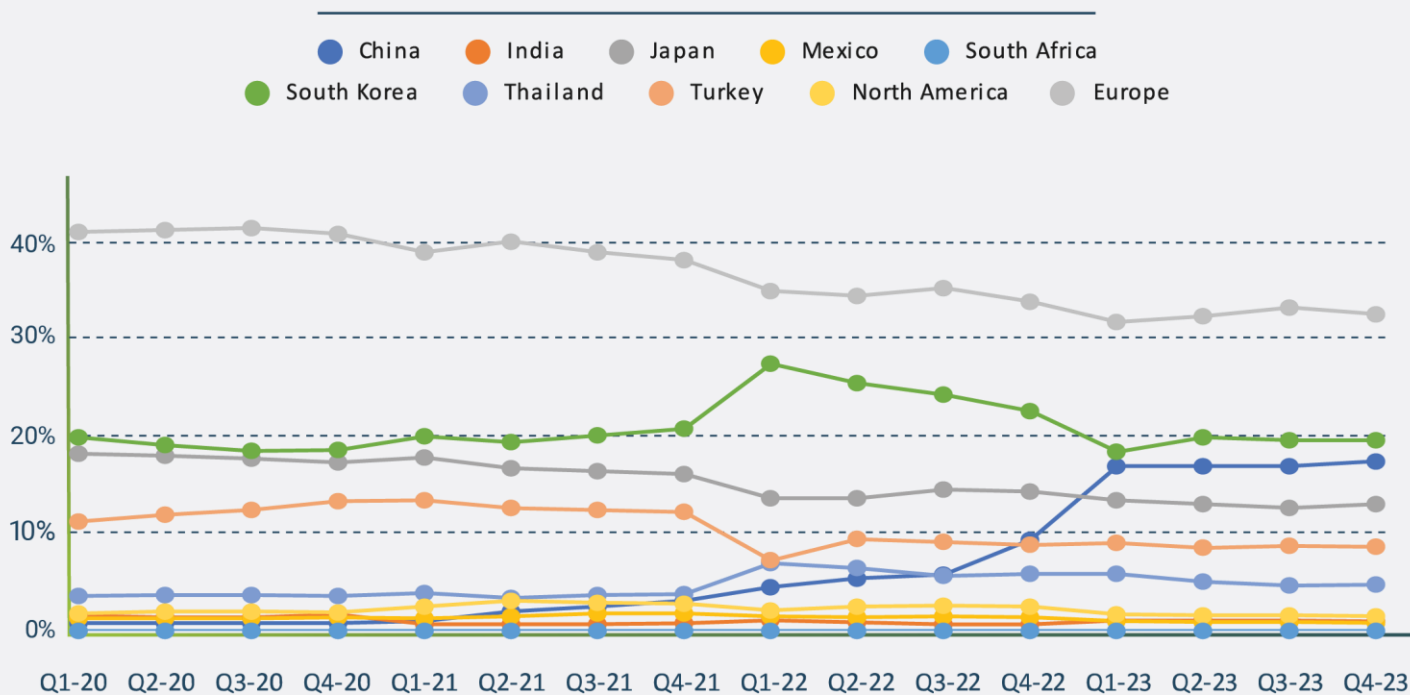
Heading into the final stretch of 2023, the Israeli automotive sector demonstrated clear consumer preferences. Dominating the landscape, the SUV-C segment achieved a commanding 37.4% of new vehicle registrations in Q4 2023, marking an ascent from 30.6% in Q4 2022 and a substantial growth from 28.6% in Q4 2021.

Following behind, the SUV-B category held a share of 15.6%, reflecting a slight decline from the 16.3% in Q4 2022 but an increase from the 13.8% in Q4 2021, reinforcing its consistent demand over the years.

The Car-C segment, with a 10.6% share in Q4 2023, saw an uptick from 10% in Q3 2023, yet it represented a decrease from 11.9% in Q4 2022 and was significantly lower than the 18% stake it held in Q4 2021, indicating a more volatile trajectory.

Lastly, Car-B segment's presence stood at 9.4% in Q4 2023, an improvement from 8.9% in Q4 2022 but still a drop from the 12.1% seen in Q4 2021, suggesting shifting consumer preferences within the smaller vehicle categories.

REGISTRATION BY COUNTRY OF ORIGIN



It should be noted that the data presented in the graph in relation to each quarter in given year, are cumulative data from the beginning of that year.

In Q4 2023, Israel's vehicle registration data revealed a sustained preference for certain countries of manufacture. European vehicles, while still leading, dipped to 32.7% from Q3's 33.4%, and saw a downward trend from 34.0% in Q4 2022 and 38.3% in Q4 2021.

South Korean vehicles, consistent quarter-to-quarter at 19.7%, actually reflect a slight decrease from the previous year's 22.7% in Q4 2022, showcasing some volatility but generally holding a strong position in the market.

Chinese vehicles showed significant growth, increasing to 17.5% in Q4 2023, up from 17.0% in Q3, and more than doubling from 9.4% in Q4 2022, indicating a rapidly expanding market presence.

Japanese vehicles saw a minor dip to 13.1% from the previous quarter's 12.7%, and a decrease from 14.4% in Q4 2022, suggesting a slight ebb in interest.

The Turkish-made vehicles registered a share of 8.7% in Q4 2023, showing a gradual decline from 12.3% in Q4 2021.