



Israel Vehicle Importers Association – Monthly Review November 2023

Preface – Economic Climate

On the morning of October 7th, the State of Israel fell victim to a reprehensible and traumatic terror act that claimed innocent civilians' lives. Israel is now compelled to engage in warfare as it responds to these unprovoked and barbaric onslaughts. This conflict will indubitably impact Israel's near-term and long-term trajectory across many areas, including financial stability. Many indices are apt to shift dramatically in forthcoming assessments, as is inherent to the nature of wartime (e.g., inflation, foreign exchange rates, employment).

Therefore, updated data will be presented with minimal additions where possible.

The Israeli economy is an advanced economy that participates in the OECD organization. Israel's GDP per capita is \$53,235. The growth rate in Q.3 of 2023 was 2.8%.

Israel maintains a 3.4% deficit of the GDP from December 2022 to November 2023.

The debt-to-GDP ratio decreased to 60.9% in 2022, and the unemployment rate in November 2023 was 2.8%. As of November 2023, the annual inflation growth rate is 3.3%. In November 2023,



the short-term interest rate was 4.5%, while the long-term interest rate stood at 4.3%.

Statistical Profile: Israel November 2023

Society

Population (November 2023): 9.816 million

Economy

GDP per capita (November 2023): \$53,235 (₪201,920)

Inflation (November 2023) (Annual Growth Rate): 3.3%

Current Account Balance (June 2023): 4.4% of GDP

Trade in Goods and Services (November 2023): \$11.36 billion (₪43.1 Billion)

Finance

US Dollar Exchange rate (November 2023, Avg.): ₪3.793

Euro Exchange rate (November 2023, Avg.): ₪4.081

Long-term interest rates (November 2023): 4.3% Per Annum

Short-term interest rates (November 2023): 4.5% Per Annum

Government

Debt to GDP ratio (2022): 60.9%

Deficit to GDP (December 2022 - November 2023): 3.4%

Motorization

Level of Motorization (2022): 411 Vehicles/1,000 Residence



Innovation and Technology

Gross Domestic Spending on R&D (2021): 5.557% of GDP

Environment

CO2 Emissions (2022): 8.38 Tonnes Per Capita (BDO Model Estimation)

CO2 Emissions (2021): 6.74 Tonnes Per Capita

Jobs

Employment Rate (November 2023): 62.3% of Working Age Population

Official Unemployment Rate (November 2023): 2.8% of the Labour Force

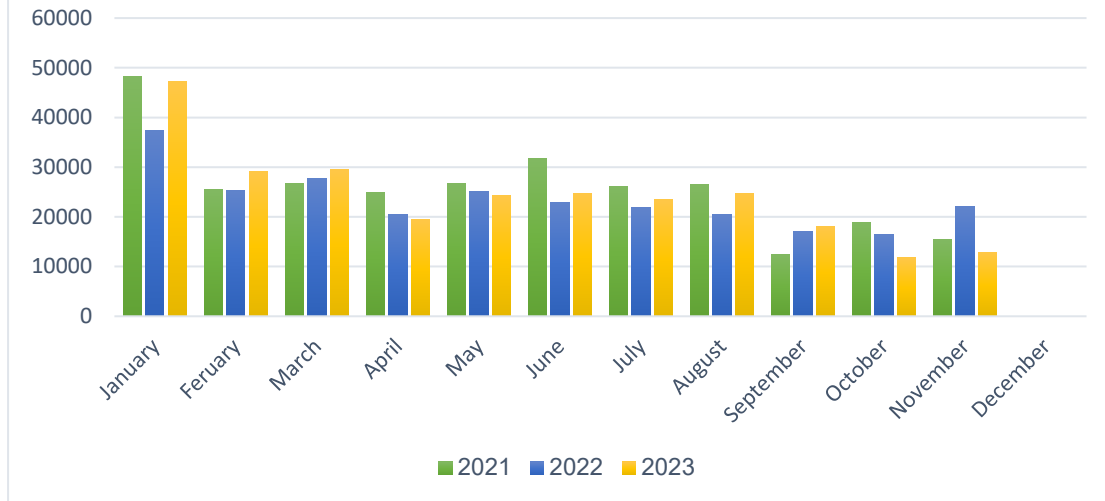
New Cars and CV Registrations

Israel New Passenger Car Registration January-November 2023

Passenger car registration: Decrease of 41.4% compared with November 2022.

In November 2023, the Israeli passenger car market registered only 12,902 new cars – a decrease of 41.4% compared with November 2022. Since the beginning of the year, 265,285 new cars were registered, an increase of 3.3% compared with Jan-Nov 2022. Since January, 46,854 BEVs and 15,020 PHEVs have been registered, totaling 61,874 cars with chargeable electric drive representing 23.3% of all registrations.

New Passenger Cars Registration in Israel - 1-11/2023



New Passenger Cars Registration in Israel 1-11/2023 According to Top 20 Brands

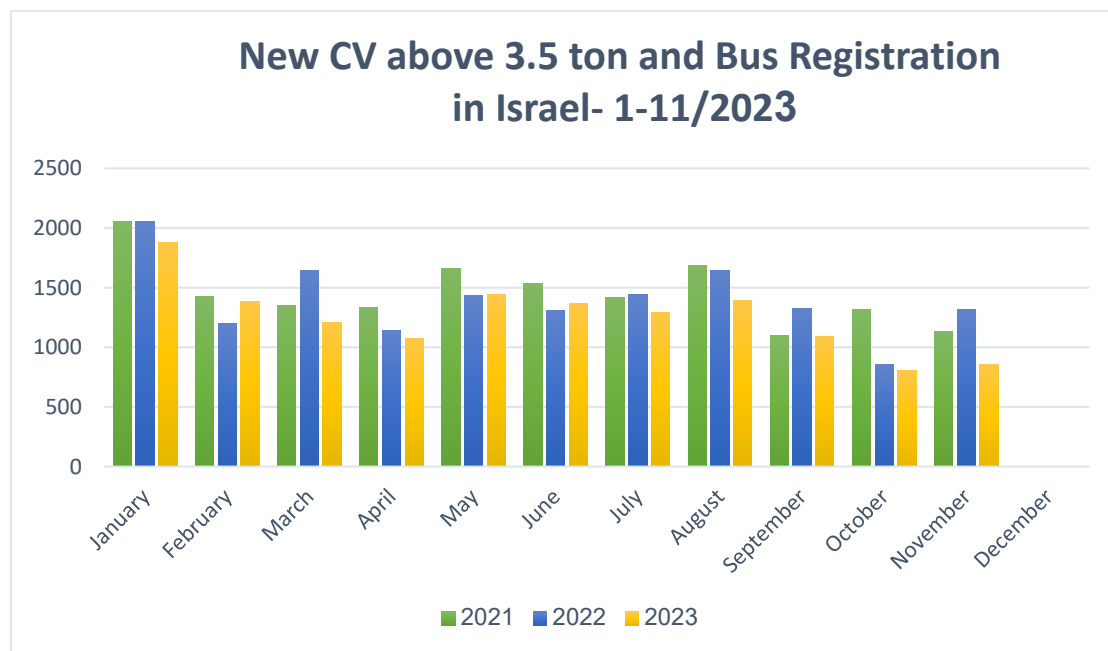
No.	Brand	November					Jan-Nov				
		Share%		Units		Change%	Share%		Units		Change%
		2023	2022	2023	2022	23/22	2023	2022	2023	2022	23/22
1	Hyundai	12.2	4.2	1574	933	68.7	15.7	16.5	41617	42327	-1.7
2	Kia	11.7	14.4	1505	3167	-52.5	12.3	14.3	32523	36697	-11.4
3	Toyota	19.3	12.1	2492	2659	-6.3	11.5	13.8	30558	35298	-13.4
4	BYD	4.9	10.6	627	2333	-73.1	5.6	1.1	14948	2799	434.0
5	Skoda	8.3	4.9	1069	1074	0.0	5.4	5.1	14421	13031	10.7
6	Mazda	3.7	5.6	474	1236	-61.7	5.1	7.2	13600	18538	-26.6
7	Chery	2.5	Entered 2023	324	Entered 2023	0.0	4.1	Entered 2023	11003	Entered 2023	0.0
8	Mitsubishi	3.8	3.3	492	733	-32.9	3.9	4.5	10236	11656	-12.2
9	Suzuki	3.9	4.0	498	878	-43.3	3.3	3.0	8644	7690	12.4
10	Geely	3.1	5.4	404	1182	-65.8	2.6	2.4	6884	6042	13.9
11	Peugeot	0.9	0.4	111	92	20.7	2.6	2.2	6777	5569	21.7
12	Citroen	1.0	1.8	132	392	66.3	2.5	3.1	6525	7904	-17.4
13	Tesla	5.8	10.5	751	2300	-67.3	2.4	1.7	6334	4329	46.3
14	Seat	1.4	0.8	187	174	7.5	2.1	2.1	5638	5418	4.1
15	MG	2.4	3.9	308	859	-64.1	2.0	1.9	5201	4995	4.1
16	Renault	1.2	2.2	155	475	-67.4	1.7	1.4	4514	3526	28.0
17	Subaru	2.0	1.8	258	405	-36.3	1.7	1.7	4394	4264	3.0
18	VW	2.0	1.8	259	388	-33.2	1.6	1.4	4127	3495	18.1
19	Mercedes	0.3	0.6	43	140	-69.3	1.5	1.8	4005	4711	-15.0
20	Chevrolet	0.6	0.8	74	168	-55.9	1.2	1.8	3173	4681	-32.2



New CV above 3.5 tons and Bus Registration in Israel January-November 2023

Commercial Vehicles above 3.5-ton registration: -35% compared with November 2022.

In November 2023, the Israeli market for CVs above 3.5 tons registered a decrease of 35%, with 860 new registrations, compared with 1,321 units in November 2022. Since January, 13,792 units have been registered, a decrease of 9.7% compared with Jan-Nov 2022.





New CV above 3.5-ton Registration in Israel 1-11/2023 According to Brands

No	Brand	November					Jan-Nov				
		Share%		Units		Change%	Share%		Units		Change%
		2023	2022	2023	2022		2023	2022	2023	2022	
1	Mercedes	13.2	11.7	80	115	-30.4	15.8	14.3	1665	1768	-5.8
2	Volvo	8.7	9.6	53	94	-43.6	12.3	13.2	1293	1632	-20.8
3	DAF	13.3	10.2	81	100	-19.0	10.1	8.3	1065	1030	3.4
4	Scania	6.4	5.6	39	55	-29.1	9.9	5.7	1045	710	47.2
5	Isuzu	12.7	9.7	77	95	-18.9	9.9	7.7	1043	957	9.0
6	Dodge-Ra	7.2	11.7	44	115	-61.7	7.8	3.8	816	475	71.8
7	Chevrolet	10.7	6.6	65	65	0.0	7.6	9.3	800	1157	-30.9
8	MAN	6.3	10.7	38	105	-63.8	5.6	7.3	585	907	-35.5
9	Renault	8.2	5.4	50	53	-5.7	4.7	5.2	499	650	-23.2
10	FIAT	2.6	2.9	16	29	-44.8	4.2	4.9	442	607	-27.2
11	Iveco	4.0	5.6	24	55	-56.4	4.1	4.6	428	571	-25.0
12	Ford	1.0	4.9	6	48	-87.5	3.9	5.1	411	627	-34.4
13	VW	4.6	0.0	28	0	100	1.6	4.1	165	505	-67.3
14	Peugeot	0.8	2.5	5	25	-80.0	1.2	3.6	129	445	-71.0
15	HINO	0.0	2.0	0	20	-100.0	0.6	2.2	67	274	-75.5
16	Maxus	0.0	0.8	0	8	-100.0	0.3	0.3	27	38	-28.9
17	Fuso	0.2	0.2	1	2	-50.0	0.1	0.1	10	18	-44.4
18	JAC	0.0	0.0	0	0	0.0	0.1	0.1	6	11	-45.5
19	Liebherr	0.0	0.0	0	0	0.0	0.1	0.0	6	3	100.0
20	Hyundai	0.0	0.0	0	0	0.0	0.0	0.0	3	0	100.0
21	Internation	0.0	0.0	0	0	Entered 2023	0.0	0.0	3	0	Entered 2023
22	Tatra	0.0	0.0	0	0	0.0	0.0	0.0	2	1	100.0
23	BYD	0.0	0.0	0	0	Entered 2023	0.0	0.0	1	0	Entered 2023

New Bus Registration in Israel 1-11/2023 According to Brand

No.	Brand	November					Jan-Nov				
		Share%		Units		Change%	Share%		Units		Change%
		2023	2022	2023	2022		2023	2022	2023	2022	
1	Mercedes	14.2	19.9	36	67	-46.3	30.2	35.4	992	1023	-3.0
2	Higer	28.9	25.8	73	87	-16.1	16.6	11.4	545	329	65.7
3	Volvo	15.4	2.1	39	7	457.1	15.8	10.7	519	309	68.0
4	Golden Dragon	24.1	24.0	61	81	-24.7	12.5	14.8	409	427	-4.2
5	Otokar	6.7	0.6	17	2	750.0	5.3	2.0	174	57	205.3
6	BYD	0.0	13.1	0	44	-100.0	3.8	2.2	125	63	98.4
7	MAN	0.8	2.7	2	9	-77.8	2.9	4.0	94	117	-19.7
8	Scania	0.0	0.0	0	0	0.0	2.8	3.9	93	114	-18.4
9	Isuzu	6.7	3.3	17	11	54.5	2.6	1.2	85	34	150.0
10	Temsa	0.0	3.9	0	13	-100.0	1.9	0.5	63	15	320
11	Zhong Tong	1.2	1.8	3	6	-50.0	1.6	1.1	54	31	74.2
12	Renault	0.0	0.0	0	0	0.0	1.3	0.7	43	21	104.8
13	IRIZAR	0.0	0.0	0	0	0.0	1.2	0.9	41	27	51.9
14	VW	1.6	1.8	4	6	-33.3	0.7	4.3	22	124	-82.3
15	Maxus	0.0	0.0	0	0	0.0	0.2	0.0	7	0	100
16	Sunwin	0.0	0.0	0	0	0.0	0.2	0.0	5	0	100
17	DAF	0.0	0.0	0	0	0.0	0.1	0.0	3	0	100.0
18	Ankai	0.0	0.0	0	0	0.0	0.1	0.2	2	5	-60.0
19	Chevrolet	0.0	0.0	0	0	0.0	0.1	0.0	2	0	100.0
20	Wisdom	0.0	0.9	0	3	-100.0	0.0	5.3	1	154	-99.4
21	Ford	0.0	0.0	0	0	0.0	0.0	0.0	1	0	100
22	Foton	0.4	Entered 2023	1	0	Entered 2023	0.0	0.0	1	0	100

Monthly review – Israel's Auto and Auto-Tech industry

“Iron Swords” War Effects the Israeli Auto Market

New car deliveries in Israel saw a steep decline in the past two months, mainly due to the effects of the “Iron Swords” war. According to industry analysts, new orders have dropped by 30-50% compared with past years. In addition, around 80-90,000 new cars are waiting in ports to be released. These cars, many of them EVs and PHEVs, were intended to be sold to customers before the end of the year, and the expected increase in purchasing tax for EVs and PHEVs was scheduled for January 2024. The war caused a weakening of the NIS, and that increased the cost of releasing cars from customs. Another adverse effect is the postponement of new models and new brand launches planned to be introduced to the Israeli market before the end of the year. Recently, another negative factor came into play – the attacks of the terrorist Houthi militia on Israeli-owned ships that carry



cars from Asia to Israel. These attacks caused delays in the arrival of ships and will cause further delays and an increase in transportation costs.

Automax to Merge with a NASDAQ Traded Company

Following its announcement at the beginning of November regarding negotiations for a merger with a NASDAQ-traded company, Automax Motors, the largest automotive parallel-import company in Israel, informed the Tel-Aviv stock exchange (TASE) that a memorandum of understanding had been signed. According to the announcement, the merger will transform Automax into a new daughter-company of the absorbing company for at least 3M\$. Automax, established in 2014, holds franchises for parallel imports of dozens of automotive brands and 40% of the parallel import market for cars (which composes around 2% of the auto market in total). Parallel import imports cars to Israel, not directly from the auto manufacturer as an official importer, such as the companies that are members of i-Via (Israeli Vehicle Importers Association).

Cipia Awarded 7 Design Wins with Major European CV Manufacturer

Cipia (TASE: CPIA), an AI computer vision in-cabin automotive solutions provider, announced that it had been awarded new design wins with a new OEM, a leading European commercial vehicle (CV) manufacturer. The deal, Cipia's second with a European OEM this year, will see Cipia's Driver Sense driver monitoring system (DMS) integrated into seven new models of trucks and buses. The models will be manufactured in Europe and sold worldwide, with a start of production expected in late 2025.

Free-Trade Agreement Between Israel and China to be Postponed

A free-trade agreement between Israel and China that was supposed to be signed before the end of the year will be postponed to an unknown date due to the "Iron Swords" war. Negotiations in the agreement have moved forward significantly in the past months, and its signing included eliminating customs taxes on Chinese cars and



several large-scale joint infrastructure projects between Israel and China.

Ministry of Finance Mulling Postponement of Purchasing Tax Increase for EVs

The Israeli Ministry of Finance is considering postponing the scheduled increase in purchasing tax for EVs and PHEVs. According to the plans, in January 2024, the tax benefit given to PHEVs was supposed to be canceled, and the purchasing tax for EVs to increase from 20% to 35%. Given the instability of the Israeli auto market and the economy in general, the technical and logistical hurdles that the war created, and the lack of manpower recruited to the reserve army, the ministry is considering postponing the tax rise.

Dr. Hanan Golan

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Hezi Shayb – Ph.D.
CEO – I-Via

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