



## **Israel Vehicle Importers Association – Monthly Review August 2023**

### **Preface – Economic Climate**

The Israeli economy is an advanced economy that participates in the OECD organization. Israel's GDP per capita is \$55,2306. The growth rate in Q.2 of 2023 was 3%.

In Israel, per the guidelines set by the World Health Organization (WHO), COVID-19 is no longer a public health emergency, but its impact on the economy. Despite these challenges, Israel has managed to maintain a minimal deficit, amounting to only 1.3% of the GDP, from September 2022 to August 2023. This demonstrates the resilience and effective economic management in navigating the difficulties posed by the pandemic.

The debt-to-GDP ratio decreased to 60.9% in 2022, and the unemployment rate in August 2023 was 3.1%.

The new government brings potential stability with a State Budget approved for 2023-24. However, judicial reform and including religious parties could introduce market instability and fiscal expansion, potentially impacting the primary deficit. Despite the challenges faced, the Prime Minister depicted the present scenario in Israel as a true testament to its "Vibrant Democracy".

Along with economic stabilization and rapid growth, there has been an increase in the inflation rate. As of August 2023, the annual inflation growth rate is 4.1%. In August 2023, the short-term interest



rate was raised to 4.7% due to the inflation increase, while the long-term interest rate stands at 3.9%.

### **Statistical Profile: Israel August 2023**

#### **Society**

Population (August 2023): 9.795 million

#### **Economy**

GDP per capita (August 2023): \$55,306 (₪206,900)

Inflation (August 2023) (Annual Growth Rate): 4.1%

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

Trade in Goods and Services (August 2023): \$13.311 billion (₪49.8 Billion)

#### **Finance**

US Dollar Exchange rate (August 2023, Avg.): ₪3.741

Euro Exchange rate (August 2023, Avg.): ₪4.091

Long-term interest rates (August 2023): 3.9% Per Annum

Short-term interest rates (August 2023): 4.7% Per Annum

#### **Government**

Debt to GDP ratio (2022): 60.9%

Deficit to GDP (September 2022 - August 2023): 1.3%

#### **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 (August 2023): 63.6% of Working Age Population

Official Unemployment Rate (August 2023): 3.1% of the Labour Force

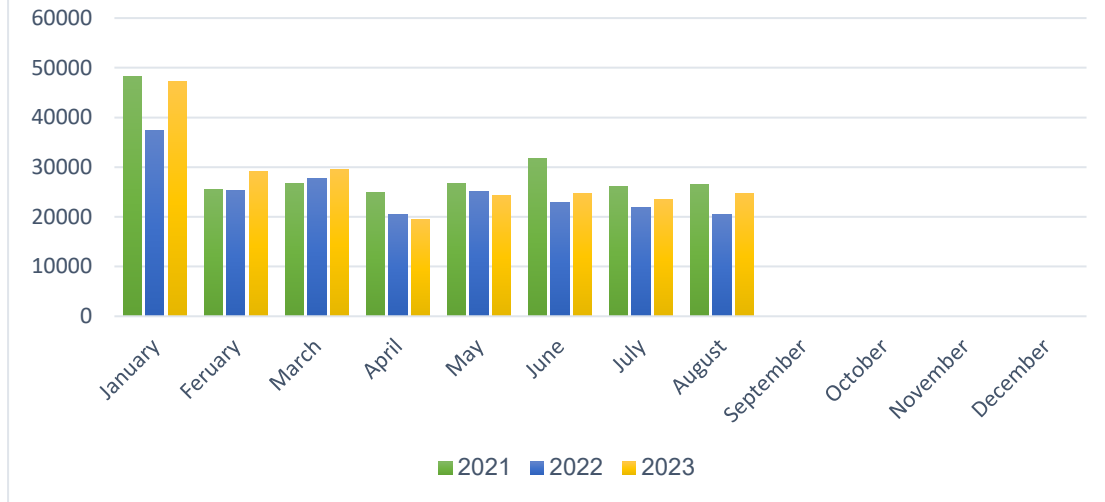
## **New Cars and CV Registrations**

### **Israel New Passenger Car Registration January-August 2023**

Passenger car registration: Increase of 20.6% compared with August 2022.

In August 2023, the Israeli passenger car market registered 24,727 new cars – an increase of 20.6% compared with August 2022. Since the beginning of the year, 222,487 new vehicles were registered, an increase of 10.6% compared with Jan-Aug 2023. Since January, 37,672 BEVs were registered and 12,770 PHEVs, a total of 50,442 cars with chargeable electric drive representing 22.7% of all registrations.

### New Passenger Cars Registration in Israel - 1-8/2023



### New Passenger Cars Registration in Israel 1-8/2023 According to Top 20 Brands

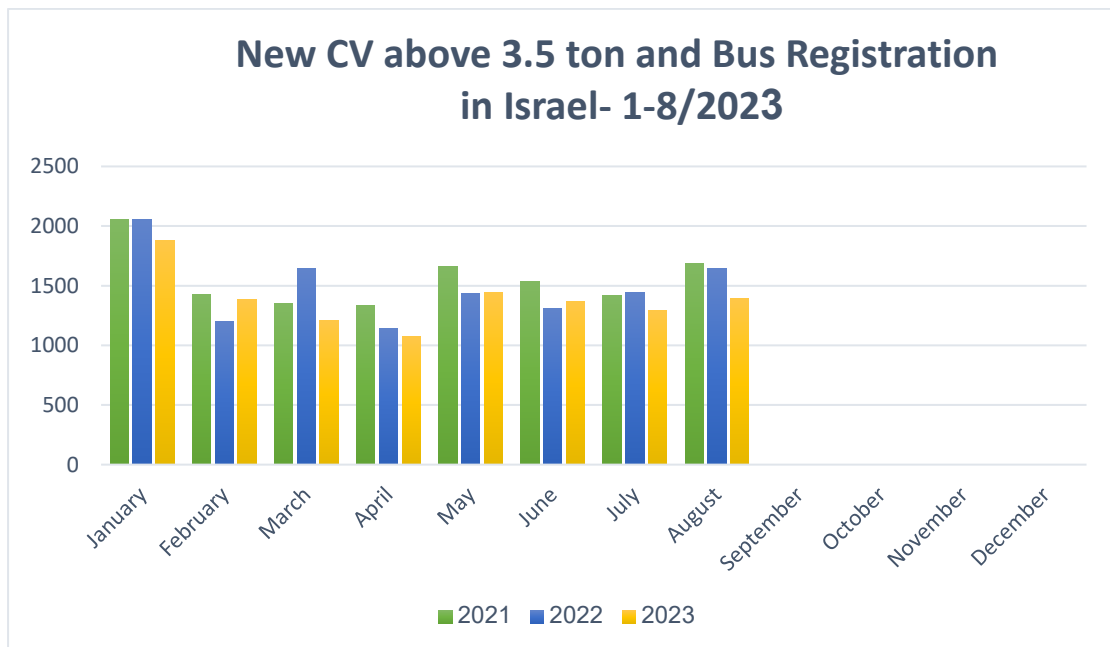
No.	Brand	August					Jan-August				
		Share%		Units		Change% 23/22	Share%		Units		Change% 23/22
		2023	2022	2023	2022		2023	2022	2023	2022	
1	Hyundai	13.9	14.7	3426	3007	13.9	16.4	18.7	36459	37615	-3.1
2	Kia	12.2	14.8	3029	3036	0.0	12.3	13.8	27399	27769	-1.3
3	Toyota	12.2	12.7	3029	2607	16.2	10.6	14.4	23483	28970	-18.9
4	BYD	5.0	Entered 2022	1239	Entered 2022	0.0	5.5	Entered 2022	12169	Entered 2022	0.0
5	Mazda	4.2	7.2	1044	1479	-29.4	5.5	6.8	12158	13686	-11.2
6	Skoda	6.1	5.6	1516	1153	31.5	5.3	4.9	11731	9863	18.9
7	Chery	3.2	Entered 2022	801	Entered 2022	0.0	4.4	Entered 2022	9820	Entered 2022	0.0
8	Mitsubishi	4.1	3.6	1007	748	34.6	3.8	4.6	8475	9335	-9.2
9	Suzuki	3.6	3.9	888	792	12.1	3.2	2.8	7040	5624	25.2
10	Peugeot	2.1	1.1	517	216	139.4	2.7	2.5	6065	4960	22.3
11	Citroen	2.1	2.4	509	497	2.4	2.6	3.4	5790	6822	-15.1
12	Geely	3.0	4.9	734	1002	-26.7	2.5	1.9	5581	3734	49.5
13	Tesla	6.7	0.0	1647	0	100.0	2.2	1.0	4948	2023	144.6
14	Seat	1.9	3.6	469	731	-35.8	2.1	2.3	4722	4705	0.0
15	Renault	1.3	2.6	324	525	-38.3	1.8	1.1	3923	2311	69.8
16	MG	2.3	0.9	561	177	216.9	1.7	1.8	3826	3667	4.3
17	Subaru	1.2	2.1	285	428	-33.4	1.7	1.6	3778	3238	16.7
18	Mercedes	1.1	2.0	279	400	-30.3	1.7	2.0	3681	4094	-10.0
19	VW	2.0	1.8	487	378	28.8	1.4	1.3	3221	2628	22.6
20	Chevrolet	1.3	2.8	311	565	-45.0	1.2	2.0	2766	3950	-30.0



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

Commercial Vehicles above 3.5-ton registration: -15.4% compared with August 2022.

In August 2022, the Israeli market for CVs above 3.5 tons registered a decrease of 15.4% with 1,389 new registrations, compared with 1,642 units in August 2022. Since January, 11,036 units have been registered, a decrease of 6.1% compared with Jan-Aug 2022.



## New CV above 3.5-ton Registration in Israel 1-8/2023 According to Brands

No	Brand	August					Jan-Aug				
		Share%		Units		Change%	Share%		Units		Change%
		2023	2022	2023	2022		2023	2022	2023	2022	
1	Mercedes	17.1	16.5	175	214	-18.2	16.1	14.7	1378	1413	-2.5
2	Volvo	13.2	14.7	135	191	-29.3	12.6	13.9	1075	1339	-19.7
3	Scania	10.2	6.6	104	85	22.4	10.5	5.5	896	530	69.0
4	Isuzu	9.5	6.9	97	89	9.0	10.1	7.8	861	752	14.5
5	DAF	11.5	9.0	118	116	1.7	9.9	7.8	847	747	13.4
6	Dodge-Ra	4.4	3.9	45	51	-11.8	7.9	3.5	679	342	98.5
7	Chevrolet	4.3	9.3	44	120	-63.3	7.2	8.6	616	830	-25.8
8	MAN	5.5	6.1	56	79	-29.1	5.3	6.9	453	662	-31.9
9	FIAT	6.7	2.6	69	34	102.9	4.5	4.6	381	447	-14.8
10	Ford	1.8	8.4	18	109	-83.5	4.4	5.1	376	493	-23.7
11	Renault	4.4	5.1	45	66	-31.8	4.1	5.2	349	497	-29.8
12	Iveco	4.4	4.3	45	56	-19.6	4.0	4.2	338	405	-18.5
13	Peugeot	1.9	2.2	19	29	-34.5	1.3	4.2	112	405	-75.3
14	VW	3.7	2.4	38	31	22.6	0.9	5.1	78	489	-84.0
15	HINO	1.0	1.6	10	21	-52.4	0.7	2.5	61	237	-76.4
16	Maxus	0.0	0.0	0	0	0.0	0.3	0.2	26	18	44.4
17	Fuso	0.0	0.2	0	2	-100.0	0.1	0.1	9	14	-35.7
18	JAC	0.1	0.2	1	2	-50.0	0.1	0.1	5	10	-50.0
19	Liebherr	0.1	0.0	1	0	100.0	0.0	0.0	4	3	33.3
20	Hyundai	0.0	0.0	0	0	0	0.0	0.0	3	0	100.0
21	Internation	0.3	0.0	3	0	Entered 2023	0.0	0.0	3	0	Entered 2023
22	Tatra	0.1	0.0	1	0	100.0	0.0	0.0	2	1	100.0

## New Bus Registration in Israel 1-8/2023 According to Brands

No.	Brand	August					Jan-Aug				
		Share%		Units		Change%	Share%		Units		Change%
		2023	2022	2023	2022		2023	2022	2023	2022	
1	Mercedes	28.2	36.9	103	128	-14.8	34.4	38.5	855	814	5.0
2	Volvo	18.4	16.4	67	57	17.5	16.4	11.8	408	250	63.2
3	Higer	18.4	2.9	67	10	570.0	13.0	7.4	323	157	105.7
4	Golden Dragon	5.8	21.9	21	76	-72.4	10.9	13.8	270	293	-7.8
5	Otokar	0.5	2.3	2	8	-75.0	5.8	2.6	144	55	161.8
6	BYD	13.4	0	49	0	100.0	3.5	0.0	88	0	100
7	MAN	2.7	3.5	10	12	-16.7	2.9	3.6	72	76	-5.3
8	Scania	5.8	4.6	21	16	31.3	2.9	4.9	72	104	-30.8
9	Isuzu	2.2	4.0	8	14	-42.9	2.5	0.8	61	16	281.3
10	Temsa	0.0	0.0	0	0	0.0	2.0	0.1	49	2	2350
11	Renault	0.0	0.0	0	0	0.0	1.7	1.0	43	21	104.8
12	Zhong Tong	0.8	0.0	3	0	100.0	1.7	0.1	43	2	2050.0
13	IRIZAR	0.5	1.4	2	5	-60.0	1.4	1.0	36	21	71.4
14	Maxus	1.9	0	7	0	100	0.3	0	7	0	100
15	Sunwin	1.4	0	5	0	100	0.2	0	5	0	100
16	Ankai	0.0	0.0	0	0	0.0	0.1	0.2	2	5	-60.0
17	Chevrolet	0.0	0.0	0	0	0.0	0.1	0.0	2	0	100.0
18	DAF	0.0	0	0	0	0.0	0.1	0.0	2	0	100.0
19	Wisdom	0.0	0.0	0	0	0.0	0.0	7.1	1	151	-99.3
20	Ford	0.0	0.0	0	0	0.0	0.0	0.0	1	0	100



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

### **REE Confirms FMVSS Certification Feasibility of X-by-Wire Systems**

REE Automotive Ltd. (Nasdaq: REE), the provider of full by-wire electric trucks and platforms, announced a significant milestone in the REE's plan to certify and bring to market a steer-by-wire, brake-by-wire, and drive-by-wire commercial truck. REE contracted HORIBA-MIRA, a world leader in testing, to perform internal tests, modeling specific Federal Motor Vehicle Safety Standards (FMVSS) certification requirements upon which REE has determined the feasibility of P7 to meet the needs of certification. REE plans to fully certify its P7-C and P7-S products by the end of 2023, including FMVSS, CARB, and EPA certification, aligning with scheduled vehicle deliveries to dealers and eligibility for government incentives. Based on initial tests with MIRA's test engineers and drivers, they successfully executed REE's feasibility test plan at MIRA's advanced testing grounds in Coventry, UK.

### **Report: Israel-Japan Free Trade Agreement Nearing**

Globes Daily newspaper reports that a free-trade agreement between Israel and Japan is underway. According to Globes, after ten years of mutual explorations, there has been significant progress in advancing the FTA between the two countries. A first draft may be presented already in 2024 and implemented in 2025. According to sources in the automotive sector, the motivation for this progress stems from, among other things, the agreement signed last year between Israel and South Korea and the soon-to-be-signed agreement with China. As of August 2023, 19.8% of the cars imported to Israel came from South Korea, 16.8% from China, and only 12.8% from Japan, compared to 30% and even more a decade ago. The Ministry of Economy and Industry responded to the publication and said: "Israel and Japan are holding these days a feasibility study as a preliminary step before starting negotiations for a free trade area agreement".



## **Innoviz Technologies to Develop B-Samples of New LiDAR Platform for Next Generation of BMW Automated Vehicles**

Innoviz Technologies (NASDAQ: INVZ) and the BMW Group are expanding their collaboration by starting a B-sample development phase on a new generation of LiDAR. Under the new development agreement, following BMW requirements, Innoviz will develop these B-Samples based on its second-generation InnovizTwo LiDAR sensor.

After a couple of years working together on an existing program that will include the first deployment of LiDAR-enabled highly automated technology on the BMW 7 Series later this year, the BMW Group and Innoviz are beginning to focus on the next generation of the technology by starting this first B-sample phase. The result of this first phase will enable the BMW Group to decide on a serial development agreement with Innoviz that will focus on bringing a new array of advanced automated capabilities to a broader range of the BMW lineup.

In addition to the LiDAR solution for the 7 Series, the BMW Group and Innoviz have started this first phase to develop an expected first-ever LiDAR-based Minimal Risk Maneuver (MRM) system in the future. The MRM acts as a secondary safety driving decision platform that will leverage the advanced performance, reliability, and resiliency of the InnovizTwo LiDAR to manage real-time driving decisions.

## **IDF to Equip with Trucknet Smart Catalyst**

Trucknet reported to the Israeli stock exchange that the IDF intends to equip military trucks with Trucknet's Smart Fuel Catalyst. The IDF informed Trucknet that following a trial in which the catalyst was installed in military trucks and showed 50% less greenhouse gas emissions and varying degrees of fuel savings; the IDF decided to install the catalyst in military trucks at an estimated cost of 400,000 Euros. In the future, the scope of the purchase may grow, but at this point, it is still subject to approval by the Ministry of Defense.





## **Volkswagen Commercial Vehicles Begins AV Testing with Mobileye Drive™**

Volkswagen Commercial Vehicles has begun testing a self-driving version of the ID-Buzz electric vehicle with Mobileye Drive technology on two continents. In Munich, Germany, and Austin, Texas, Volkswagen will validate the Mobileye Drive-equipped ID. Buzz vehicles with safety drivers on public roads, towards a goal of series production. Mobileye Drive incorporates advanced EyeQ™ Systems-on-Chip (SoCs) and Mobileye's sensing, mapping, and driving policy technologies to create a unique, full-stack autonomous driving system that can adapt to new locations.

Dr. Hanan Golan

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Hezi Shayb – Ph.D.  
CEO – I-Via

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