Israel Vehicle Importers Association -

Monthly Review September 2026

Preface – Economic Climate

The Israeli economy entered September on firm footing. The Central Bureau of Statistics' third estimate raised second-quarter GDP growth to 15.4% in annual terms, confirming the recovery from the first-quarter contraction, while the twelve-month budget deficit held at 3.2% of GDP for a second month. Inflation stayed subdued, leaving the annual rate at 1.6%, and the Bank of Israel lowered its policy rate to 3.25% on September 1, its third consecutive cut. The labour market remained tight, with unemployment edging up to 3.0% in a holiday-shortened month while the employment rate rose to 60.3%.

The Israeli economy is advanced and is a member of the OECD. Its current GDP per capita is $70,976, and its growth rate in 2026 Q2 was 15.4%. Israel maintained a 3.2% deficit of GDP from October 2025 to September 2026.

The debt-to-GDP ratio stood at 68.5% in 2025, and the unemployment rate stood at 3.0% in September 2026. As of September 2026, the annual inflation growth rate increased to 1.6%. In September 2026, the short-term interest rate decreased to 3.25%, while the long-term interest rate stood at 4.08%.

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Statistical Profile: Israel, September 2026

Society

Population (September 2026): 10.305 million

Economy

GDP per capita (September 2026): $70,174 (₪212,837)

Inflation (September 2026) (Annual Growth Rate): 1.6%

Current Account Balance (2026 Q2): -0.3% of GDP

Trade in Goods and Services (September 2026): $15.50 Billion (₪47.0 Billion)

Finance

US Dollar Exchange rate (September 2026, Avg.): ₪3.033

Euro Exchange rate (September 2026, Avg.): ₪3.491

Long-term interest rates (September 2026): 4.08% Per Annum

Short-term interest rates (September 2026): 3.25% Per Annum

Government

Debt to GDP ratio (2025): 68.5%

Deficit to GDP (October 2025- September 2026): 3.2%

Motorization

Level of Motorization (2025): 427 Vehicles/1,000 Residents

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Innovation and Technology

Gross Domestic Spending on R&D (2024): 6.76% of GDP

Environment

CO2 Emissions (2024): 5.61 Tonnes Per Capita

Jobs

Employment Rate (September 2026): 60.3% of Working Age Population

Official Unemployment Rate (September 2026): 3.0% of the Labour Force

New Cars and CV Registrations

Israel New Passenger Car Registration - January-September 2026

Passenger car registration: an increase of 5.4% compared with January-September 2025

In September 2026, the Israeli passenger car market registered 23,709 new cars – a decrease of 19.1% compared with September 2025. Since the beginning of the year, 255,223 new cars were registered – an increase of 5.4% compared with last year. Since January, 128,109 new cars with electric propulsion (BEV+PHEV) were registered. The market share of pure EVs currently stands at 12.5% with 32,037 deliveries.

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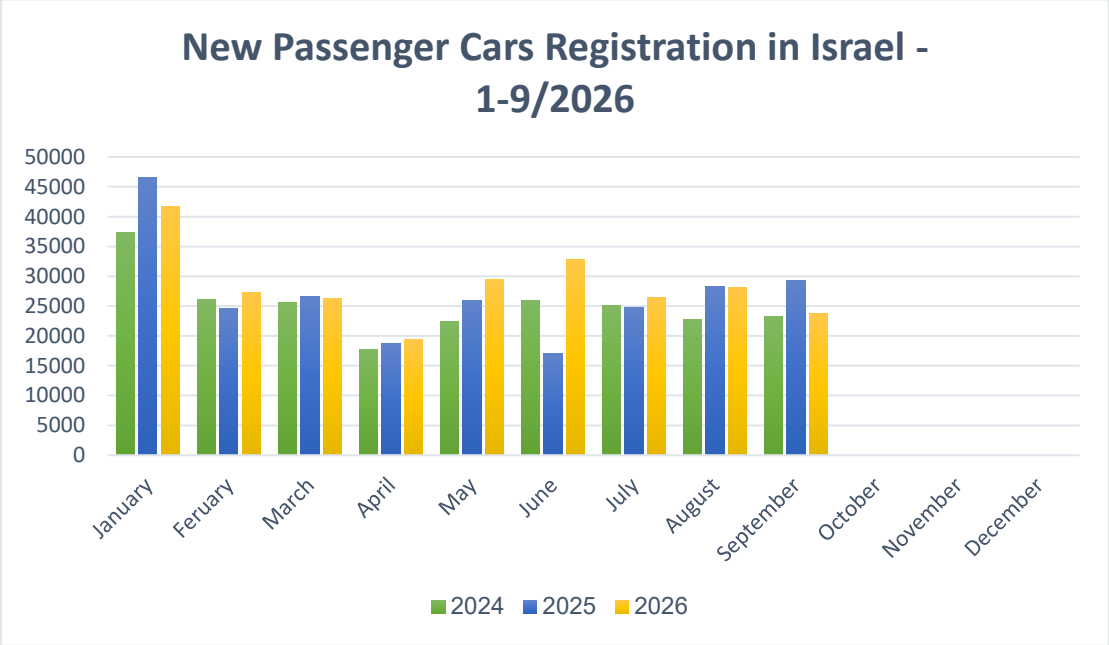

New Passenger Car Registration in Israel 1-9/2026 According to Top 20 Brands

No.	Brand	September					Jan-Sep				
		Share%		Units		Change%	Share%		Units		Change%
		2026	2025	2026	2025	26/25	2026	2025	2026	2025	26/25
1	Jaecoo-Omoda	10.3	7.7	2433	2263	7.5	12.7	5.4	32383	13113	147.0
2	Toyota	10.3	8.9	2440	2595	-6.0	10.3	11.8	26234	28494	-7.9
3	Chery	8.7	11.9	2065	3483	-40.7	10.2	8.6	26070	20912	24.7
4	Hyundai	6.4	6.7	1507	1957	-23.0	8.8	11.3	22579	27402	-17.6
5	Kia	5.4	6.7	1281	1969	-34.9	8.0	8.3	20525	20170	1.8
6	BYD	8.1	8.2	1910	2404	-20.5	6.9	4.8	17701	11574	52.9
7	Skoda	4.2	4.8	995	1421	-30.0	6.5	7.0	16582	16912	-2.0
8	MG	6.6	1.8	1560	529	194.9	4.5	3.1	11453	7523	452.2
9	Geely	3.0	1.0	705	296	138.2	2.5	1.2	6294	2841	121.5
10	Tesla	7.6	4.4	1808	1285	40.7	1.9	1.5	4970	3632	36.8
11	XPeng	3.3	1.4	789	423	86.5	1.9	2.3	4800	5499	-12.7
12	Citroen	1.4	1.1	323	315	2.5	1.7	1.6	4218	3764	12.1
13	Nissan	0.6	0.9	135	278	-51.4	1.3	2.3	3288	5501	-40.2
14	Mitsubishi	1.1	1.5	251	439	-42.8	1.3	2.3	3276	5536	-40.8
15	SEAT	1.0	1.5	248	446	-44.4	1.2	2.4	2996	5787	-48.2
16	Deepal-Changan	1.4	2.3	322	683	-52.9	1.1	0.6	2893	1546	87.1
17	BMW	0.7	1.0	167	286	-41.6	1.0	1.2	2679	2863	-6.4
18	Subaru	1.0	0.6	235	190	23.7	1.0	1.4	2646	3410	-22.4
19	Lynk&Co	1.1	2.5	250	741	-66.3	1.0	1.1	2627	2666	-1.5
20	Suzuki	1.2	0.9	275	260	5.8	1.0	1.7	2609	4010	-35.0

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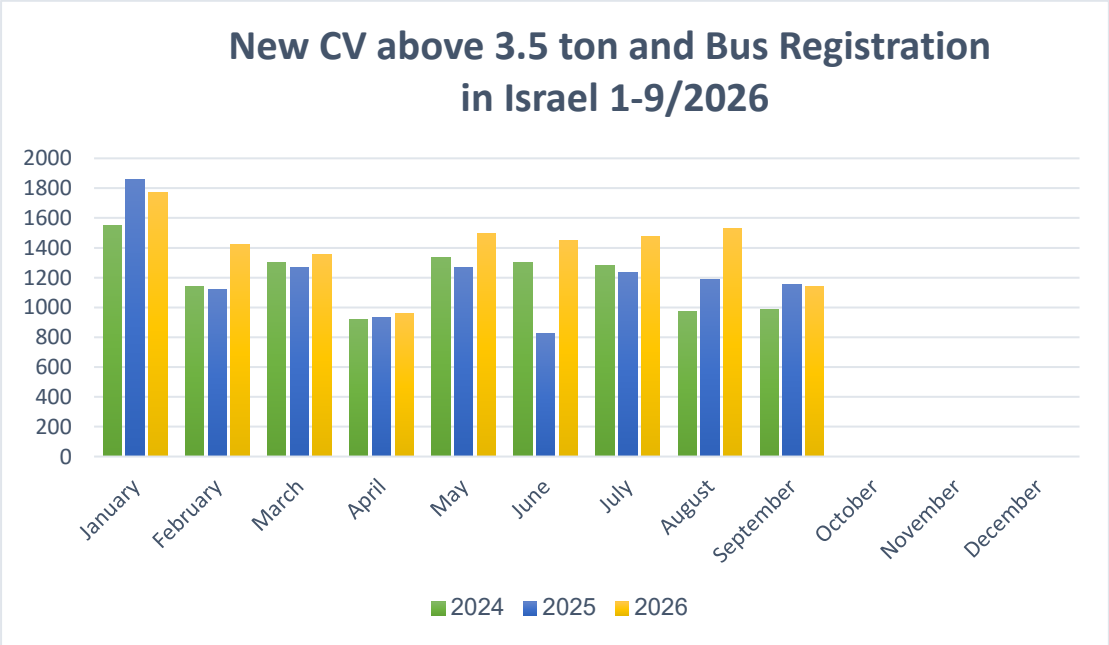
New CV above 3.5 tons and Bus Registration in Israel - January-September 2026

Commercial Vehicles above 3.5 tons registration: 15.6% increase compared with January-Sep 2025.

In September 2026, the Israeli market for CVs above 3.5 tons and buses registered a decrease of 1.3% in deliveries, with 1,141 new registrations, compared with 1,156 units in September 2025. Since the beginning of the year, 112,596 CVs above 3.5 tons and buses have been registered, an increase of 15.6% compared with last year.



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New CV above 3.5-ton Registration in Israel 1-9/2026
According to Brands

		September					Jan-Sep				
		Share%		Units		Change%	Share%		Units		Change%
No	Brand	2026	2025	2026	2025	26/25	2026	2025	2026	2025	26/25
1	Volvo	15.9	13.6	149	136	9.6	15.6	12.7	1591	1109	45.5
2	Mercedes	14.2	15.5	133	155	-14.2	15.3	16.7	1568	1459	7.5
3	DAF	13.5	9.2	126	92	37.0	11.3	9.3	1159	813	42.6
4	Scania	10.3	11.2	96	112	-14.3	10.0	9.8	1021	861	18.6
5	Isuzu	8.4	11.2	79	112	-29.5	8.7	6.8	895	598	49.7
6	Chevrolet	9.0	11.8	84	118	-28.8	7.8	12.0	802	1049	-23.5
7	VW	5.7	5.1	53	51	3.9	5.4	5.6	551	487	13.1
8	MAN	6.9	3.3	65	33	97.0	4.8	5.3	489	464	5.4
9	Renault	3.8	3.0	36	30	20.0	4.3	3.3	440	289	52.2
10	Dodge-RAM	2.1	3.6	20	36	-44.4	3.7	4.1	381	361	5.5
11	IVECO	2.9	4.3	27	43	-37.2	3.4	4.2	346	366	-5.5
12	Fiat	1.2	2.3	11	23	-52.2	2.6	4.3	268	378	-29.1
13	Ford	3.1	3.1	29	31	-6.5	2.2	3.4	223	295	-24.4
14	Farizon	0.7	0.0	7	0	100.0	1.8	0.0	181	4	4250.0
15	Peugeot	1.0	2.6	9	26	-65.4	1.2	2.1	127	180	-29.4
16	Toyota	0.1	0.0	1	0	100	0.7	0.0	74	0	100
17	Citroen	0.6	0.0	6	0	100	0.6	0.0	64	0	100
18	Opel	0.1	0.0	1	0	100	0.2	0.0	19	0	100
19	Maxus	0.0	0.0	0	0	0.0	0.2	0.1	18	13	38.5
20	Liebherr	0.2	0.0	2	0	100	0.1	0.0	6	4	50
21	Foton	0.2	0.2	2	2	0	0.0	0.3	4	22	-81.8
22	Tatra	0.0	0.1	0	1	-100	0.0	0.0	3	2	50
23	Fuso	0.0	0.0	0	0	0	0.0	0.0	1	2	-50

New Bus Registration in Israel 1-9/2026
According to Brands

		September					Jan-Sep				
		Share%		Units		Change%	Share%		Units		Change%
No.	Brand	2026	2025	2026	2025	26/25	2026	2025	2026	2025	26/25
1	Mercedes	31.7	43.2	65	67	-3.0	32.1	45.3	759	968	-21.6
2	Golden Dragon	28.8	2.6	59	4	1375.0	17.3	6.9	408	147	177.6
3	HIGER	20.5	0.0	42	0	100.0	12.9	14.6	304	312	-2.6
4	Volvo	2.9	21.3	6	33	-81.8	11.9	10.4	282	223	26.5
5	Scania	4.9	3.9	10	6	66.7	6.1	4.7	145	100	45.0
6	Zhongtong	4.9	1.9	10	3	233.3	4.7	1.9	112	40	180.0
7	Cadillac	4.4	0.0	9	0	100.0	3.3	0.0	78	0	100.0
8	VW	0.5	1.3	1	2	-50.0	2.7	2.1	64	44	45.5
9	MAN	1.5	9.0	3	14	-78.6	2.2	3.8	51	82	-37.8
10	Renault	0.0	0.0	0	0	0.0	1.9	2.1	46	45	2.2
11	Dongfeng	0.0	0.6	0	1	-100.0	1.6	0.8	39	18	116.7
12	Isuzu	0.0	15.5	0	24	-100.0	1.4	1.8	32	39	-17.9
13	DAF	0.0	0.0	0	0	0.0	0.8	0.3	20	6	233.3
14	Sunwin	0.0	0.0	0	0	0.0	0.4	0.0	10	0	100.0
15	Audi	0.0	0.0	0	0	0.0	0.3	0.0	7	0	100
16	IRIZAR	0.0	0.0	0	0	0.0	0.3	0.5	6	10	-40.0
17	Hyundai	0.0	0.0	0	0	100	0.0	0.0	1	0	100

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

The IDF Recognizes Innoviz Technologies' LiDAR Capabilities as Suitable for Defence Applications

Innoviz Technologies Ltd. (NASDAQ: INVZ), a leading supplier of high-performance, automotive-grade LiDAR sensor platforms for autonomous driving, defence and homeland security, industrial, and smart infrastructure applications, announced that its existing LiDAR solutions were recognized by the Directorate of Defence Research & Development (DDR&D), known as MAFAT, within the Israel Ministry of Defence, as suitable for defence applications, addressing emerging requirements for defence applications. Innoviz believes its existing, production-proven LiDAR is capable of addressing some of the defence domain's demanding sensing challenges, with potential applications across counter-UAS, perimeter security, and critical-infrastructure protection. MAFAT Recognizes Innoviz Technologies’ LiDAR Capabilities as Suitable for Defense Applications

Drawing on ongoing technical assessments and practical experimentation, MAFAT views the maturity, robustness, scalability, and performance of Innoviz's LiDAR as having the potential to provide reliable, high-resolution perception in complex operational environments where traditional sensing modalities often face substantial limitations. MAFAT further notes that Innoviz's existing solutions address the emerging requirements in next-generation defense applications, pointing to the potential for future deployment across a range of field applications.

Innoviz believes that recognition by MAFAT, given its worldwide reputation, could help support potential demand for Innoviz's solutions among certain Western defence customers over time. Following its evaluation and recognition of Innoviz's capabilities, Innoviz is now well positioned and already delivering its proven

LiDAR technology, as announced recently, in support of defence applications.

Arbe Expands into Defence and Homeland Security with the Alerion C-UAS Radar for Hard-to-Detect Drone Threats

Arbe Robotics (Nasdaq: ARBE) (TASE: ARBE), a global leader in ultra-high-resolution radar solutions, today announced its entry into the counter-drone market with the Alerion C-UAS Radar, marking Arbe's expansion into defence and homeland security. This system is a compact ultra-high-resolution 4D imaging radar, designed to detect and track drone threats that are increasingly difficult for legacy counter-drone sensors to identify. These include FPV, mini, autonomous, and fiber-optic drones. Alerion has been successfully field-tested for defence applications and is currently being evaluated by counter-unmanned aircraft systems (C-UAS) integrators worldwide.

The global drone threat is escalating faster than the systems built to counter it. Inexpensive, low-signature drones increasingly threaten military and mobile defence operations, critical infrastructure, and public facilities. Low, slow, and small drones reflect very little radar energy, making them hard for legacy counter-drone sensors to spot; furthermore, autonomous and fiber-optic-controlled drones fly with no radio link at all, so there is no signal to intercept. The Alerion ultra-high-resolution radar can detect the drone itself rather than its emissions, so it holds the track however the drone is controlled.

Alerion is designed as an ultra-high-resolution sensing layer within multi-sensor counter-UAS architectures, holding the track continuously from first detection to minimum range. That includes the critical zone of a drone's final approach, where low-altitude flight, complex maneuvers, and ground clutter make threats hardest to follow. It separates drones from birds, vehicles, buildings, and vegetation, supporting reliable detection, low false-alarm rates, and precise cueing for the cameras and effectors that identify and engage the target.

Built on Arbe's ultra-high-resolution radar architecture, Alerion pairs that sensing with a solid-state design that is small, lightweight, low-power, and low-cost - the profile defence programs refer to as low SWaP-C (size, weight, power, and cost). This makes Alerion practical for fixed, vehicle-mounted, and portable systems.

i-EcoGuard Wins 1M NIS in Toyota and Union Motors' Israel Earth Prize Competition

i-EcoGuard has won the Israel Earth Prize - an environmental award initiated by Toyota Israel and Union Motors to foster green entrepreneurship in Israel and promote groundbreaking solutions for addressing environmental challenges and the climate crisis. The win was announced at the 2026 award ceremony held at the School of Environmental Studies at Tel Aviv University.

The company was awarded a prize of 1M NIS which will be used to accelerate development, conduct field trials, and establish pilot sites in Israel in collaboration with agricultural entities.

The winning initiative was selected by an independent professional judging panel comprising experts from academia, the environmental sector, technology, and investment. The panel evaluated hundreds of submitted ventures based on a range of criteria, including innovation, maturity and implementation readiness, potential for environmental impact in Israel, feasibility, and the experience of the leadership team.

Heat stress in greenhouses can compromise growing conditions, reduce crop yields, and increase the need for energy-intensive cooling and ventilation solutions. Conversely, films that consistently reduce solar radiation penetration can create excessively cold conditions in winter and limit the amount of light available to the plants.

i-EcoGuard, which began operations in May 2024, develops nanotechnology-based photochromic materials and integrates them

into greenhouse plastic films. These materials are designed to respond autonomously to changing environmental conditions: helping to reduce heat stress in summer and maintain optimal conditions in winter, all without compromising PAR radiation - the light spectrum essential for plant photosynthesis.

As part of its research and development process, the company plans to further refine the films for summer and winter conditions through laboratory testing and field trials. These trials will evaluate the films' ability to lower internal greenhouse temperatures by at least five degrees Celsius and increase crop yields by at least 15% compared to greenhouses not using the films. Additionally, the company is working to align the materials with the standard lifespan of greenhouse films and to test their resistance to pesticides and chemicals. The company collaborates with entities in the agricultural and research sectors, including Politiv, the Central Arava Research & Development Center, Tzemach, and KKL-JNF. The prize funds are designated to support continued technological development, the incorporation of materials into sheeting, field trials, and the establishment of pilot sites in Israel.

For i-EcoGuard, this marks a full-circle moment, as the company had previously reached the finals of the Israel Earth Prize last year, coming close to winning. This year, the company returned to the competition with more advanced technology and won first prize.

Wayve and Mercedes-Benz Partner to Bring the Wayve AI Driver to Future Mercedes-Benz Vehicles

Wayve, a global leader in embodied AI, and Mercedes-Benz, the leading luxury car brand, have signed a definitive production agreement to integrate the Wayve AI Driver into future Mercedes-Benz vehicles, enabling advanced urban point-to-point driving assistance for customers starting in the next two years. This strategic partnership reflects both companies’ shared ambition to bring intelligent and scalable driving assistance technology to markets worldwide.

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The agreement follows Mercedes-Benz's strategic investment in Wayve's Series D funding round earlier this year and builds on a multi-year technical partnership between the two organizations. Together, the teams have proved the potential of the Wayve AI Driver for application in future Mercedes-Benz vehicles, setting the foundation for mass production development. Through Wayve's pioneering AV2.0 approach, the Wayve AI Driver learns to drive like a human would, reasoning and adapting to its surroundings without HD maps. This architecture, trained on NVIDIA AI Infrastructure hosted on Microsoft Azure, enables autonomy that generalizes to new cities and driving environments without geofences or city-specific retraining. The same underlying AI Driver is designed to scale across the autonomy spectrum, from advanced driver assistance to fully driverless products, offering automakers a single, evolving solution for their vehicle line-up, from consumer cars to robotaxis.

Dr. Hanan Golan

Hezi Shayb, PhD
CEO – I-Via