Israel Vehicle Importers Association -
Monthly Review January 2026

Preface – Economic Climate

The Israeli economy enters 2026 with sustained momentum, building on the recovery trajectory established in the final quarter of the previous year. The start of the year is characterized by financial stability: the annual inflation rate dropped significantly to 1.8% in January, allowing for monetary easing as short-term interest rates decreased to 4%. Concurrently, the Shekel continues to demonstrate exceptional strength, trading at an average of ₪3.15 per USD. These indicators suggest a stabilizing market environment helping to renewed growth. However, fiscal challenges persist; with the cumulative deficit rising slightly to 4.9%, the need for responsible budgetary discipline and cautious fiscal management remains paramount to ensure long-term economic health.

The Israeli economy is advanced and participates in the OECD organization. Its current GDP per capita is $60,620, and its growth rate in 2025 was 3.1%.

Israel maintains a 4.9% deficit of the GDP from February 2025 to January 2026.

The debt-to-GDP ratio decreased to 68.5% in 2025, and the unemployment rate stood at 3.1% in January 2026. As of January 2026, the annual inflation growth rate inclined to 1.8%. In January 2026, the short-term interest rate remained at 4%, while the long-term interest rate stood at 4.1%.

Statistical Profile: Israel, January 2026

Society

Population (December 2025): 10.178 million

Economy

GDP per capita (January 2026): $60,620 (₪190,771)

Inflation (January 2026) (Annual Growth Rate): 1.8%

Current Account Balance (Q3 2025): 1.7% of GDP

Trade in Goods and Services (January 2026): $13.34 Billion (₪42 Billion)

Finance

US Dollar Exchange rate (January 2026, Avg.): ₪3.147

Euro Exchange rate (January 2026, Avg.): ₪3.693

Long-term interest rates (January 2026): 4.1% Per Annum

Short-term interest rates (January 2026): 4% Per Annum

Government

Debt to GDP ratio (2025): 68.5%

Deficit to GDP (February 2025- January 2026): 4.9%

Motorization

Level of Motorization (2024): 421 Vehicles/1,000 Residence

Innovation and Technology

Gross Domestic Spending on R&D (2023): 6.3% of GDP

Environment

CO2 Emissions (2024): 5.61 Tonnes Per Capita

Jobs

Employment Rate (January 2026): 62.6% of Working Age Population

Official Unemployment Rate (January 2026): 3.1% of the Labour Force

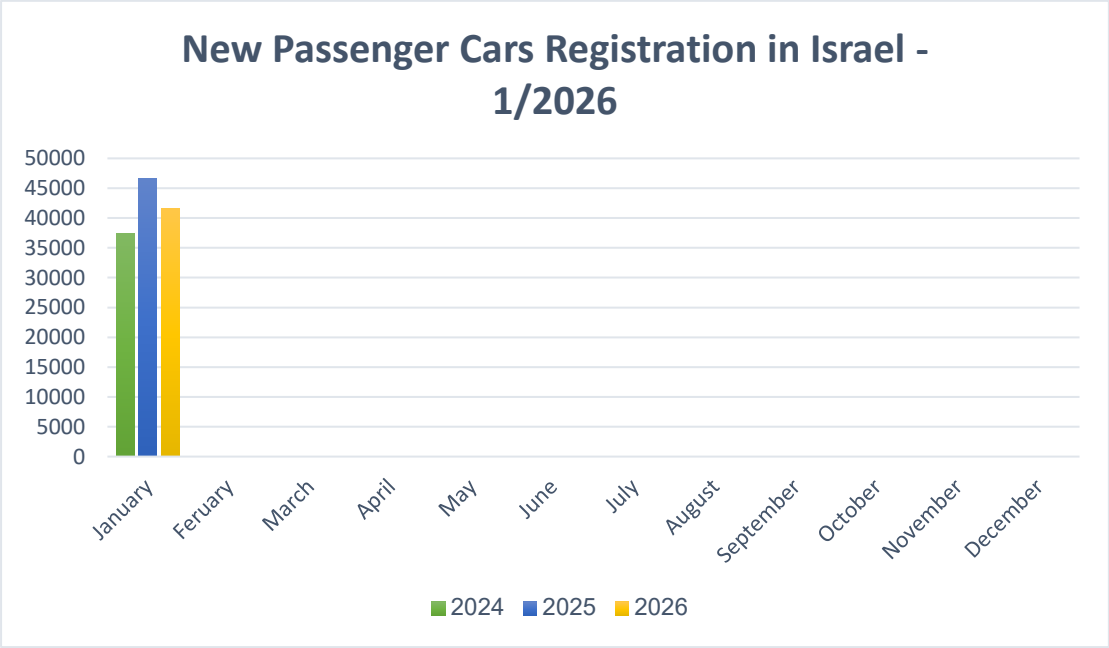
Israel Vehicle Importers Association

New Cars and CV Registrations

Israel New Passenger Car Registration January 2026

Passenger car registration: a decrease of 10.7% compared with January 2025

In January 2026, the Israeli passenger car market registered 41,618 new cars - a decrease of 10.7% compared with January 2025. In January, 13,738 new cars with electric propulsion (BEV+PHEV) were registered. The market share of pure EVs currently stands at 9.5% with 3,972 deliveries.



Israel Vehicle Importers Association

New Passenger Cars Registration in Israel 1/2026
According to the Top 20 Brands

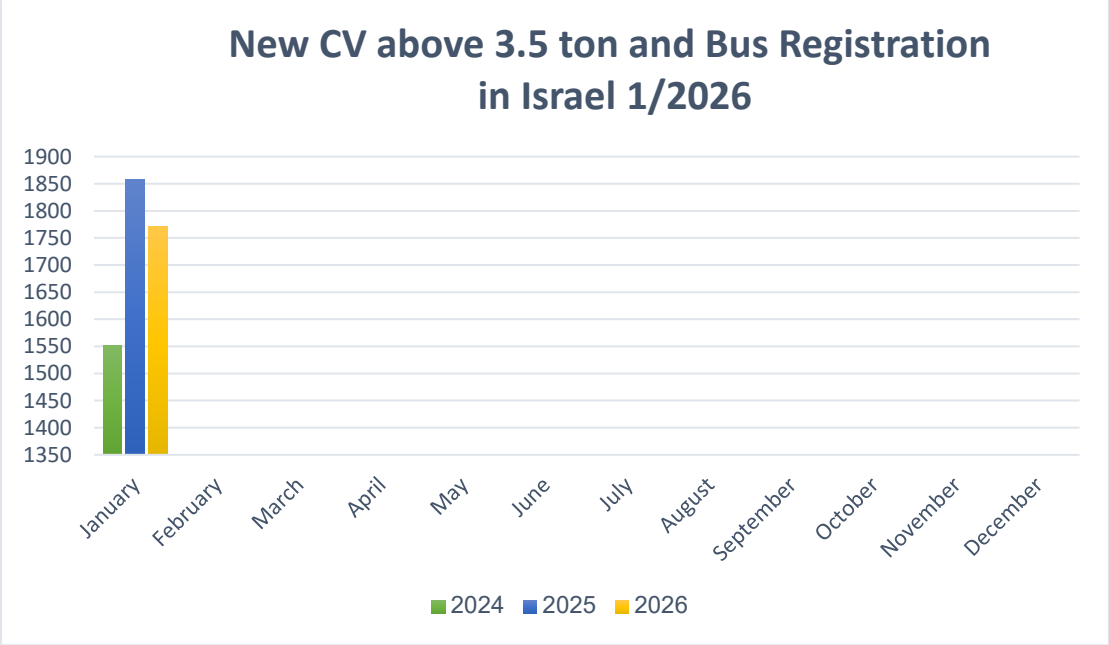
No.	Brand	January				
		Share%		Units		Change%
		2026	2025	2026	2025	26/25
1	Toyota	9.7	8.9	4033	4166	-3.2
2	Hyundai	11.6	11.4	4819	5326	-9.5
3	Jaecoo-Omoda	11.6	4.0	4818	1875	157.0
4	Kia	9.6	9.7	4016	4536	-11.5
5	Chery	9.5	5.4	3935	2528	55.7
6	Skoda	8.6	8.3	3569	3886	-8.2
7	BYD	5.9	4.2	2474	1948	27.0
8	MG	2.5	4.2	1034	1958	-47.2
9	Mitsubishi	2.3	3.5	946	1654	-42.8
10	Citroen	1.9	1.2	796	563	41.4
11	Changan-Deepal	1.5	0.3	636	124	412.9
12	Suzuki	1.4	1.8	600	860	-30.2
13	KGM	1.4	1.0	574	463	24.0
14	BMW	1.2	1.7	510	783	-34.9
15	Xpeng	1.2	1.9	506	901	-43.8
16	Mercedes	1.2	0.6	499	284	75.7
17	Seat	1.2	3.9	486	1824	-73.3
18	Subaru	1.1	2.4	440	1130	-61.0
19	Geely	1.0	0.7	423	312	35.6
20	Lynk & Co	1.0	1.8	418	850	-50.8

Israel Vehicle Importers Association

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

Commercial Vehicles above 3.5 tons registration: 4.6% decrease compared with January 2025.

In January 2025, the Israeli market for CVs above 3.5 tons registered a decrease of 4.6% in deliveries, with 1,771 new registrations, compared with 1,857 units in January 2025.



Israel Vehicle Importers Association

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

No	Brand	January				
		Share%		Units		Change%
		2026	2025	2026	2025	26/25
1	Volvo	16.4	12.5	241	178	35.4
2	Mercedes	13.0	15.0	191	213	-10.3
3	Scania	11.7	12.1	172	173	0.0
4	Isuzu	11.1	6.5	163	93	75.3
5	Chevrolet	9.3	12.6	137	180	-23.9
6	DAF	8.6	7.8	127	111	14.4
7	VW	7.4	2.1	109	30	263.3
8	Dodge-Ram	5.3	6.7	78	95	-17.9
9	MAN	3.9	5.4	58	77	-24.7
10	FIAT	3.7	5.6	54	80	-32.5
11	Iveco	2.7	3.3	40	47	-14.9
12	Peugeot	1.9	1.3	28	19	47.4
13	Farizon	1.7	0.0	25	0	100.0
14	Ford	1.6	5.8	24	82	-70.7
15	Renault	1.6	2.6	23	37	-37.8

New Bus Registration in Israel 1/2026
According to Brands

No.	Brand	January				
		Share%		Units		Change%
		2026	2025	2026	2025	26/25
1	Mercedes	44.9	56.4	135	244	-44.7
2	Volvo	14.6	3.5	44	15	193.3
3	Scania	12.0	8.1	36	35	2.9
4	Zhongtong	8.6	3.5	26	15	73.3
5	Golden Dragon	7.6	8.8	23	38	-39.5
6	Higer	5.0	10.4	15	45	-66.7
8	VW	3.0	9.5	9	41	-78.0
10	MAN	2.7	3.2	8	14	-42.9
11	Dongfeng	0.7	0.0	2	0	100.0
13	IRIZAR	0.7	1.6	2	7	-71.4
15	Renault	0.3	0.0	1	0	100.0

Israel Vehicle Importers Association

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

Innoviz Introduces InnovizSMARTer

Innoviz Technologies Ltd. (Nasdaq: INVZ), a supplier of high-performance LiDAR solutions, announced the integration of its InnovizSMARTer LiDAR with NVIDIA Jetson Orin Nano. The new solution delivers a complete far-edge solution for real-time 3D perception, enabling wireless deployment of LiDAR sensors in bandwidth-constrained environments while significantly reducing the centralized processing cost. The integration with NVIDIA Jetson Orin Nano addresses a major barrier in smart infrastructure. High-performing LiDAR sensors generate gigabits per second of raw data, which is impractical for wireless or cloud-based systems. The compact form factor and high GPU efficiency of NVIDIA Jetson Orin Nano make it an ideal selection for edge-processing and real-time compression. InnovizSMARTer reduces data transmission requirements by 1 to 2 orders of magnitude, eliminating the requirement for costly fiber infrastructure and enabling flexible, scalable deployments. The solution supports Wi-Fi, LTE, 5G, as well as other wireless networks, making high-performance 3D perception possible in multiple markets and use cases, including smart cities, mobility, perimeter security, and more.

Arbe Integrates Radar with NVIDIA AI for Advanced AI Driving Platform

Arbe Robotics Ltd., a global supplier of perception radar solutions, announced that it is combining Arbe’s leading radar technology with NVIDIA accelerated computing, creating an advanced platform for AI-based perception for hands-off and eyes-off driving. The automotive-grade radar delivers unprecedented detection density, a raw point cloud of over 20,000 detections per frame, generated by a channel array of 2,304 channels, providing a rich foundation that enables systems to run advanced perception and AI algorithms. The

combination of Arbe's affordable, high-performance radar solution and NVIDIA's powerful computing is democratizing autonomous technology, making advanced perception accessible, reliable, and cost-effective.

To enable eyes-off capabilities at highway speeds, accurate long-range detection and object separation are imperative. When a car travels at a speed of up to 130 km/h (approximately 80 mph), it needs to safely detect vehicles and obstacles at a 300-meter distance to give the system enough time to brake gradually, change lanes, or take other action without causing disruptions to surrounding traffic. Arbe's ultra-HD radar achieves over 300-meter point cloud range detections while delivering the resolution and dynamic range needed to interpret complex highway scenarios and introduce features for smooth, human-like driving. The Arbe HD radar solution offers consistent, reliable performance across all environmental conditions, including snow, sleet, rain, fog, and low-visibility scenarios. When combined with accelerated computing by NVIDIA, it delivers consistent performance, enabling eyes-off driving at highway speeds with the human-like flow and predictability required for real safety and consumer trust.

HP and Karamba Security Renew Multi-Year Software Licensing Agreement to Protect HP's Business and Enterprise Printers

HP Inc. (NYSE: HPQ), the world's largest printer provider, and Karamba Security, a global leader in product cybersecurity, announced that HP Inc. has renewed its multi-year agreement to license Karamba's XGuard® runtime-protection technology across HP's business printer families. The renewal marks the seventh consecutive year of collaboration, strengthening HP's commitment to deliver the world's most secure printers.

Karamba's patented XGuard® technology enforces binary-level allow-listing and Control Flow Integrity directly inside the printer

firmware. It provides protection by blocking unauthorized code execution through deterministic allow-listing, preventing memory-manipulation attacks such as buffer overflows, enforcing CFI to block ROP/JOP exploits, and preserving runtime integrity to prevent exploitations of zero-day or known vulnerabilities. HP provides the “world’s most secure printers”, embedding multiple layers of hardware- and firmware-level defenses. HP’s adoption of Karamba’s XGuard® runtime allow-listing and Control Flow Integrity (CFI) technology forms a critical part of this architecture.

Foresight and SoftBank Corp. Advance Strategic Collaboration in Japan

Foresight Autonomous Holdings Ltd. (Nasdaq and TASE: FRSX), an innovator in automotive vision solutions, announced that its majority-owned subsidiary, Eye-Net Mobile Ltd. (“Eye-Net”), has advanced its strategic collaboration in Japan with SoftBank Corp. (“SoftBank”) to further validate Eye-Net’s vehicle-to-everything (“V2X”) collision prediction and prevention solutions technology. The joint initiative aims to enhance road safety and operational efficiency by enabling seamless, real-time exchange of location information among surrounding road users. This development represents a continued collaboration based on the positive results of the proof-of-concept project with SoftBank reported previously by the Company. The parties will work together to tailor the solution to SoftBank’s needs and evaluate its potential for introduction into new markets. The collaboration underscores a shared commitment to accelerating the deployment of connected mobility solutions, ultimately contributing to improved situational awareness and reduced traffic-related incidents in Japan and beyond. Eye-Net develops next-generation V2X collision prevention solutions and smart automotive systems to enhance road safety and situational awareness for all road users in the urban mobility environment. By leveraging cutting-edge artificial intelligence (AI) technology, advanced analytics, and existing cellular networks, Eye-Net’s innovative solution suite delivers real-time pre-collision alerts to all

road users using smartphones and other smart devices within vehicles.

Valens Semiconductor Secures 4th VA7000 MIPI A-PHY Design Win with a Premium Carmaker Serving the Chinese Market

Valens Semiconductor (NYSE: VLN), the high-performance connectivity company, announced a new design win for its VA7000 MIPI A-PHY-compliant chipsets, which will be integrated into the ADAS systems of a premium global automotive OEM serving the Chinese market. The announcement brings Valens to four A-PHY design wins globally and reinforces the connectivity standard as a frontrunner for next-generation ADAS and autonomous systems.

The carmaker will integrate the VA7000 chipsets into its vehicles with a Start of Production (SoP) in 2027. MIPI A-PHY is the first standardized solution for high-speed sensor connectivity, and the only one with design wins across multiple silicon suppliers .

StoreDot Ltd. and Andretti Acquisition Corp. II Announce Signing of Definitive Agreement for Business Combination to Accelerate the EV Revolution with Extreme Fast Charging Battery Technology

StoreDot Ltd., a pioneer and leader in Extreme Fast Charging (XFC) battery technology for electric vehicles (EVs), and Andretti Acquisition Corp. II (NASDAQ: POLE), a Cayman Islands publicly traded special purpose acquisition company, announced they have entered into a definitive business combination under a newly formed holding company named “XFC Battery”. StoreDot’s patented XFC technology is a proven, production-ready solution capable of delivering 100 miles of charge in just 5 minutes, with a clear plan and roadmap to 100 miles of charge in 3 minutes. This groundbreaking capability is essential for making the EV experience as convenient as refueling a gasoline car. StoreDot has built significant commercial traction, actively engaged in B-sample

development and validation programs with leading global OEMs. This deep-seated industry validation and collaboration underscore the technology's readiness for mass production, utilizing existing battery manufacturing infrastructure.

The Business Combination transaction will require the approval of the stockholders of Andretti and StoreDot and is subject to satisfaction or waiver of the conditions stated in the Business Combination Agreement and other customary closing conditions, including obtaining certain financing commitments and the receipt of certain regulatory approvals. The transaction is expected to close in the second quarter of 2026, subject to specified closing conditions.

Škoda Partners with Upstream to Strengthen Cyber Resilience Across Its Connected Vehicle Ecosystem

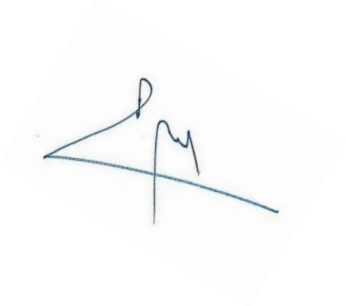
Upstream Security announced a strategic partnership with Škoda to support the automaker’s unified, proactive approach to cybersecurity across its connected vehicles, digital services, and supporting systems. As Škoda’s digital footprint expands, the need to manage cyber-related risks consistently and efficiently has become increasingly critical for both operational resilience and regulatory compliance.

Škoda partnered with Upstream to consolidate cyber threat intelligence, signals, and risk information into a single environment accessible to teams across the organisation. The partnership enables streamlined collaboration, earlier visibility into potential risks, and reduced manual effort associated with compliance processes and internal reporting. With Upstream’s partnership, Škoda consolidates risk-related information, enabling dozens of cybersecurity and engineering professionals to review findings, share context, ask questions, and document decisions within a unified workspace. By streamlining communication and surfacing emerging issues earlier, the partnership enhances situational

awareness across Škoda's connected vehicle and digital ecosystem. It also simplifies preparation for compliance reviews by organizing evidence, actions, and documentation in one structured environment.

Upstream delivers a cloud-based, AI-powered data management platform purpose-built for connected vehicles, smart mobility, and the IoT ecosystem. By leveraging mobility data, Upstream empowers customers with advanced, AI-driven cybersecurity solutions, including detection and response (XDR), API Security, cyber threat intel, SOC services, resilience services, and more.

Dr. Hanan Golan



Hezi Shayb, PhD
CEO – I-Via