



Israel Vehicle Importers Association – Monthly Review April 2021

Preface – Economic Climate

The Israeli economy is an advanced economy that belongs to the OECD organization. The GDP per capita is \$ 45,357 and the growth rate in 2010-2019 was the average annual growth rate of 3.3% per year. At the beginning of the Corona crisis, the debt-to-GDP ratio was 60% and was one of the lowest in the Western world. The government deficit was 3.7% and the unemployment rate was 3.4%.

The Corona crisis has affected the Israeli economy significantly, as have other economies in the world. The deficit in May 2020 – April 2021 is 11.2% from the GDP. The debt-to-GDP ratio is 74.9%. The unemployment rate rose to 5.3% but the unofficial unemployment rate climbed to about 10.6%. Along with the economic crisis in Israel, there is also a political complexity and the indecisive results new election in March 2021 that makes it difficult for the government to pass a new budget and formulate a coherent economic policy. On the other hand, from a monetary point of view, the crisis is being managed professionally by the Bank of Israel, which is monitoring the local credit market and solving liquidity problems through plans to purchase bonds and keep interest rates low.

In April, the population immunization intensified and the limits of the corona were lifted. As a result, the Israeli economy returned to function and therefore there was a decrease in unemployment. The end of the health crisis will undoubtedly lead to a recovery in the economic situation during 2021. According to the forecasts of the

Chief Economist in the ministry of finance, growth in 2021 is expected to reach 4.6%.

Statistical Profile: Israel April 2021

Society

Population (March 2021): 9.326 Million

Economy

GDP per capita: \$45,357

Inflation (April 2021): 0.8% Annual Growth Rate

Current Account Balance (Q4 2020): 4.69% of GDP

Trade in Goods and Services: \$44.8 billion

Finance

US Dollar Exchange rate: NIS 3.28

Euro Exchange rate: NIS 3.92

Long-term interest rates (April 2021): 1.26% Per Annum

Short-term interest rates (April 2021): 0.02% Per Annum

Government

Debt to GDP ratio: 74.9%

Deficit to GDP: 11.2% (May 2020- April 2021)

Motorization

Level of Motorization (Q4 2020): 397 Vehicles/1,000 Residence

Innovation and Technology

Gross Domestic Spending on R&D (2019): 4.93% of GDP

Environment

CO2 Emissions (2017): 7.3 Tonnes Per Capita

Jobs

Employment Rate (Q1 2021): 65.84% of Working Age Population

Official Unemployment Rate (April 2021): 5.3% of Labour Force

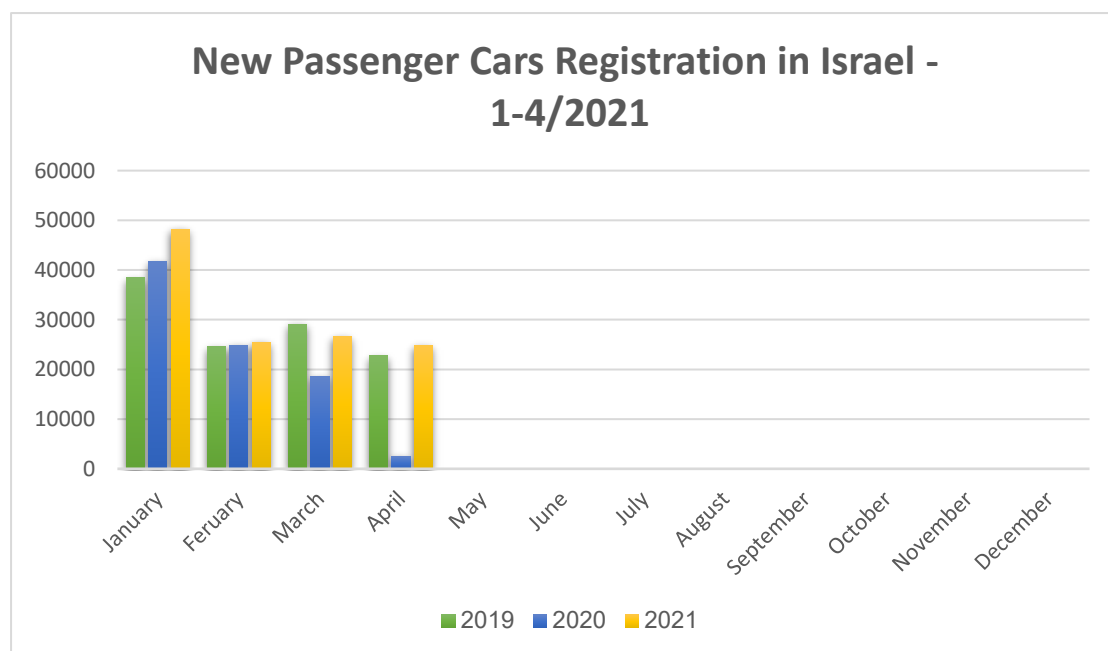
Unofficial Unemployment Rate (including non-paid absence due to Covid 19): 10.6%

New Cars and CV Registrations

Israel New Passenger Car Registration: January-April 2021

Passenger car registration: +42.8% compared with Jan-April 2020.

In April 2021, the Israeli passenger car market registered 24,832 new cars. This figure is 10 times the amount that was registered during April 2020, in the midst of the COVID-19 crisis. Since January, 125,279 new cars were registered – an increase of 42.8% compared with Jan-April 2020.



New Passenger Cars Registration in Israel: January-April 2021 According to Brands

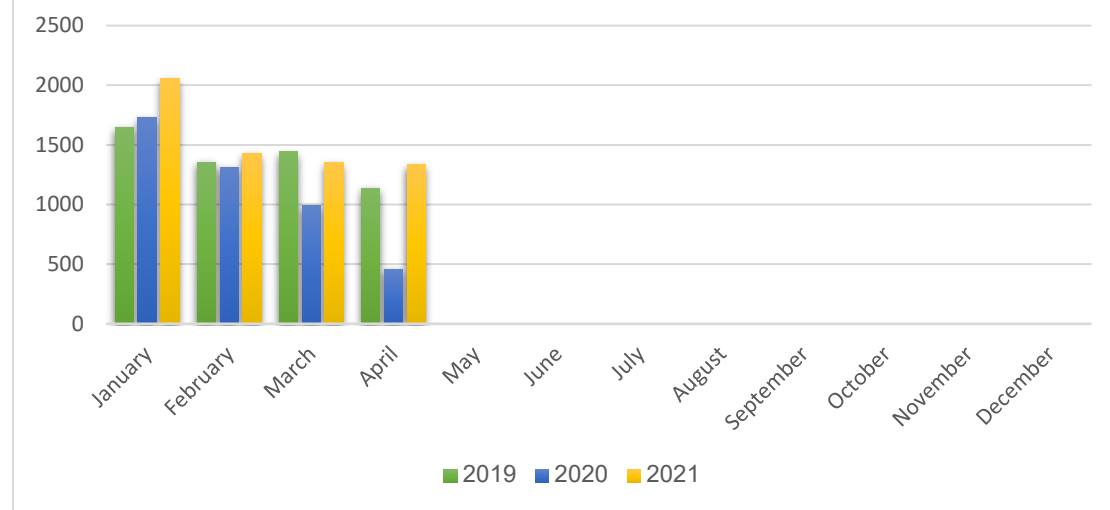
No.	Brand	April					Jan-Apr				
		Share%		Units		Change% 21/20	Share%		Units		Change% 21/20
		2021	2020	2021	2020		2021	2020	2021	2020	
1	Hyundai	15.7	3.9	3910	101	3870.0	15.7	15.1	19716	13271	48.6
2	Toyota	14.1	25.4	3511	650	540.2	13.2	12.8	16545	11187	47.9
3	Kia	12.3	18.3	3046	470	648.1	11.7	12.2	14656	10739	36.5
4	Skoda	10.6	8.6	2621	221	1186.0	8.3	8.6	10376	7539	37.6
5	Mitsubishi	4.3	1.8	1068	47	2272.3	5.5	6.6	6929	5780	19.9
6	Mazda	4.2	1.7	1045	44	2375.0	5.4	4.8	6827	4197	62.7
7	Seat	3.0	2.1	745	55	1354.6	4.6	4.8	5732	4208	36.2
8	Chevrolet	4.0	2.3	1003	59	1700.0	3.7	4.0	4596	3467	32.6
9	Nissan	4.7	3.7	1163	95	1224.2	3.3	3.7	4172	3241	28.7
10	Renault	2.2	7.4	547	190	287.9	3.1	3.4	3907	3022	29.3
11	Peugeot	3.4	2.3	842	60	1403.3	3.0	2.1	3726	1874	98.8
12	Suzuki	2.6	5.3	638	136	469.1	2.9	4.1	3618	3608	0.0
13	Citroen	2.8	2.9	684	75	912.0	2.3	2.7	2889	2356	22.6
14	Subaru	1.8	1.5	442	38	1163.2	2.2	1.7	2741	1477	85.6
15	Audi	1.4	0.7	351	18	1950.0	1.7	1.7	2100	1453	44.5
16	Mercedes	1.4	1.1	350	28	1250.0	1.6	1.5	1970	1353	45.6
17	B.M.W	1.1	0.5	262	13	2015.4	1.4	0.9	1807	793	127.9
18	VW	1.8	2.4	439	62	708.1	1.2	1.7	1540	1502	2.5
19	Jeep	0.9	0.8	220	20	1100.0	0.9	0.6	1171	549	113.3
20	Honda	0.9	0.2	227	6	3783.3	0.9	1.3	1169	1176	-4.0

New CV above 3.5 ton and Bus Registration in Israel: January-April 2021

Commercial Vehicles above 3.5 ton registration: +190.2% compared with April 2020; Since January 2021, an increase of 37.3%

In April 2021, the Israeli market for CV above 3.5 ton registered an increase of 190.2% in registrations compared with April 2020, with 1,332 new registrations, in contrast with only 459 units in April 2020. Since January 2021, 6,165 new CV and buses were registered – an increase of 37.3% compared with Jan-April 2020.

New CV above 3.5 ton Registration in Israel- 1-4/2021



New CV above 3.5 ton Registration in Israel: January-April 2021 According to Brands

No	Brand	April					Jan-Apr				
		Share%		Units		Change%	Share%		Units		Change%
		2021	2020	2021	2020	21/20	2021	2020	2021	2020	21/20
1	Mercedes	15.5	9.8	175	42	316.7	13.7	11.9	721	432	66.9
2	Volvo	9.5	15.0	108	64	68.8	10.0	11.1	529	404	30.9
3	Chevrolet	6.4	17.1	72	73	-1.4	9.3	10.5	491	382	28.5
4	DAF	8.5	14.0	96	60	60.0	8.5	10.7	449	391	14.8
5	Scania	6.5	12.4	74	53	39.6	7.8	8.3	413	301	37.2
6	FIAT	5.0	0.9	57	4	1325.0	6.6	4.6	349	169	106.5
7	Renault	5.2	11.0	59	47	25.5	6.3	6.6	331	239	38.5
8	Dodge-Ra	7.2	1.9	82	8	920.5	5.9	5.3	314	193	62.7
9	Isuzu	7.1	5.4	80	23	247.8	5.8	9.6	304	349	-12.9
10	MAN	6.1	5.1	69	22	213.6	5.7	6.6	299	240	24.6
11	Ford	3.8	2.1	43	9	377.8	4.8	4.1	251	149	68.5
12	VW	5.6	0.7	63	3	2000.0	4.7	2.8	248	103	140.8
13	Peugeot	2.7	0.9	30	4	650.0	3.4	2.7	179	100	79.0
14	Iveco	3.1	3.3	35	14	150.0	3.2	2.5	171	92	85.9
15	HINO	0.9	0.5	10	2	400.0	1.2	1.5	62	54	14.8
16	Fuso	0.1	0.0	1	0	100.0	0.2	0.4	12	16	-25.0
17	JAC	0.1	0.0	1	0	100.0	0.1	0.1	7	3	133.3
18	MAXUS	0.1	0	1	0	100.0	0.0	0	1	0	100.0

New Bus Registration in Israel: January-April 2021 According to Brands

No.	Brand	April					Jan-Apr				
		Share%		Units		Change%	Share%		Units		Change%
		2021	2020	2021	2020	21/20	2021	2020	2021	2020	21/20
1	Mercedes	37.0	51.6	74	16	362.5	41.8	50.8	370	431	-14.1
2	Volvo	12.5	3.2	25	1	2400.0	16.3	11.1	144	94	53.2
3	Solaris	13.0	0.0	26	0	2600.0	12.9	1.6	114	14	714.3
4	MAN	7.0	0.0	14	0	1400.0	9.0	11.3	80	96	-16.7
5	Higer	0.0	29.0	0	9	-100.0	4.4	1.8	39	15	160.0
6	Scania	5.5	0.0	11	0	1100.0	2.7	4.4	24	37	-35.1
7	Yutong	4.5	12.9	9	4	125.0	2.4	4.1	21	35	-40.0
8	Iveco	4.5	0.0	9	0	900.0	1.9	1.9	17	16	6.3
9	VW	2.5	0.0	5	0	500.0	1.7	4.1	15	35	-57.1
10	Temsa	2.5	0	5	0	500	1.5	0	13	0	1300
11	Golden Dragon	5.0	0.0	10	0	1000.0	1.5	1.9	13	16	-18.8
12	IRIZAR	2.5	0.0	5	0	500.0	1.0	1.5	9	13	-30.8
13	Ford	0.0	3.2	0	1	-100.0	0.8	1.1	7	9	-22.2
14	Isuzu	1.0	0.0	2	0	200.0	0.7	1.5	6	13	-53.8
15	Renault	2.5	0.0	5	0	500.0	0.7	1.1	6	9	-33.3
16	Zhong Tong	0.0	0.0	0	0	0.0	0.1	1.6	1	14	-92.3

Israel's Auto and Auto-Tech industry

Stellantis Signs a Memorandum with Israeli Innovation Authority

Stellantis (PSA and FCA) and the Israeli Innovation Authority signed a memorandum of understanding, according to which they will collaborate in identifying and developing Israeli companies in the fields of smart mobility, cyber security and AI. The Innovation authority will aid in tracking, funding and matching the companies to Stellantis, which will support R&D, marketing and global operations. The memorandum was signed by Dr. Ami Applebaum, chairman of the innovation authority, and Robert Di-Stephano, in charge of e-mobility at Stellantis.

GoTo Global Launches an Innovative "Multi-Model" Shared Mobility Solution in Madrid

Israeli GoTo Global, operator of shared-car service CAR2GO, and shared bicycle service Mobike by CAR2GO, announced the launch of a new "Multi-Model" shared mobility solution in Madrid. The service includes 450 cars, 400 electric scooters and additional 450 electric kick-scooters that will be added to the fleet shortly. The users will be able to choose the most suitable mode of transportation for them, using one single App. This model is being operated successfully in Malta for the past two years.

Israel Smart Mobility Living Lab Initiates a Data Sharing Platform for Tech Companies and Municipalities

Israel Smart Mobility Living Lab, a NPO dedicated to accelerating innovation, is initiating a data sharing platform for tech companies and municipalities in order to reduce traffic accidents and improving the quality of transportation. Companies and public authorities will collaborate, share anonymous data from road users and infrastructure, and develop models for reducing accidents and congestion, improving infrastructures and decreasing pollution. The new platform enables sharing, integrating and presenting data easily and is based on the "Data Trust" concept developed at MIT.

Dan Public Transportation to Equip its' Bus Fleet with Cyber-Security Systems

Dan, one of Israel's largest public transportation companies, will start equipping its' bus fleet in the Tel-Aviv metropolitan area with cyber-security systems. Dan became recently a shareholder in Enigmatos Cyber security, a company that developed security systems that are able to identify and analyses cyber-attacks in real-time. The systems developed by Enigmatos will be installed in fleets in order to prevent hijacking of buses by hackers and hostile elements.

Israel Signs a Free-Trade Agreement with Seoul

Israel and South Korea are to sign a free trade agreement that will contribute to the volume of trade between the two countries and reduce customs. This agreement will be a first of its kind between Asian and Middle Eastern countries. Following the signing, over 95% of Israeli products exported to South Korea will be customs free, and the 7% customs fee imposed on vehicles imported from South Korea will be canceled.

Hundreds of Electric Buses to Enter Public Transportation Services in Israel

The Israeli ministry of the environment announced that it will support the purchase of 220 electric buses for public transportation companies in Israel. The ministry will invest 59.2M NIS in the purchase, in addition to 80 electric buses that were already

purchased at the cost of 27M NIS. This step is part of the ministry's policy to reduce the use of diesel-powered buses in large metropolitan areas.

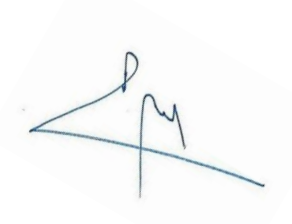
Cobra Introduces the Mobile Key

Cobra, an Israeli company specializing in security, multimedia and safety automotive systems, launches a new product: the Mobile Key. This product enables all the actions performed by the original car key: opening and locking of doors, starting the engine, opening the trunk and the use of the lights – using an App and thus rendering the car key redundant. The App is based on BLE technology and operates to a distance of up to 15 meters. The communication between the car and the App is encrypted in a 256 bit protocol.

Axis Tel Aviv Showcases Automotive Start-Ups

The Chairman of Daimler, Ula Kolonius, revealed during Axis Tel Aviv innovation conference, the goals set for Daimler's Israeli R&D center. The conference also showcased three Israeli automotive start-ups: Evr Motors developing an innovative electric engine for cars, Continual developing an AI platform for monitoring and analyzing data from 5G connected cars, and RealSpecation that atomizes damage inspections for cars and makes them more accurate.

Dr. Hanan Golan



Mr. Hezi Shayb
CEO – IVIA



The economic chapter of the review was edited by Mr. Nadav Caspi, the I-via's Chief Economist.