



Israel Vehicle Importers Association – Monthly Review February 2023

The Israeli economy is an advanced economy that belongs to the OECD organization. The GDP per capita is \$51,249, and the growth rate in 2022 is estimated at 6.5%.

The deficit in March 2022 – February 2023 is negative -0.2% from the GDP. The debt-to-GDP ratio is 61.1%. The unemployment rate is 4.3%.

At this stage, it is difficult to say how the election results will affect the Israeli economy. On the one hand, the new government entails a promise of stability that will allow an orderly transfer of the budget for the coming years; on the other hand, the promotion of legal reform may create instability in the markets and a loss of confidence in the legal system and its ability to guarantee the property rights of investors from Israel and abroad.

Furthermore, the entry of the religious parties into the coalition may create pressure for a significant fiscal expansion which may increase the primary deficit and delay necessary reforms in the labor market.

Along with economic stabilization and rapid growth, there has been an increase in the inflation rate. As of February, the annual rate is 5.2%. The Chief Economist in the Ministry of Finance predicts that in 2023 the inflation rate will be 2.7%.

From a monetary point of view, the Bank of Israel is dealing with inflation's rise. The interest rate was raised to 4.25% due to the increase in inflation.



Statistical Profile: Israel February 2023

Society

Population (January 2023): 9.679 million

Economy

GDP per capita: \$51,249

Inflation (Annual Growth Rate): 5.2%

Current Account Balance (Q4 2022): 4.02% of GDP

Trade in Goods and Services (February 2023): \$13,268 million

Finance

US Dollar Exchange rate (February 2023): NIS 3.54

Euro Exchange rate (February 2023): NIS 3.79

Long-term interest rates (February 2023): 3.31% Per Annum

Short-term interest rates (February 2023): 3.89% Per Annum

Government

Debt to GDP ratio: 61.1%

Deficit to GDP (March 2022-February 2023): -0.2%

Motorization

Level of Motorization (2021): 406 Vehicles/1,000 Residence

Innovation and Technology

Gross Domestic Spending on R&D (2020): 5.44% of GDP



Environment

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

Jobs

Employment Rate (Q4 2022): 68.95% of Working Age Population

Official Unemployment Rate (January 2022): 4.34% of the Labour Force

New Cars and CV Registrations

Israel New Passenger Car Registration January-February 2023

Passenger car registration: an increase of 15.2% compared with February 2022.

In February 2023, the Israeli passenger car market registered 29,132 new cars – an increase of 15.2% compared with February 2022. Since the beginning of the year, 76,328 new cars were registered, an increase of 21.7% compared with Jan-Feb 2023. During these months, 10,923 EVs were registered, representing 14.3% of all registrations.



**New Passenger Cars Registration in Israel 1-2/2023
According to Top 20 Brands**

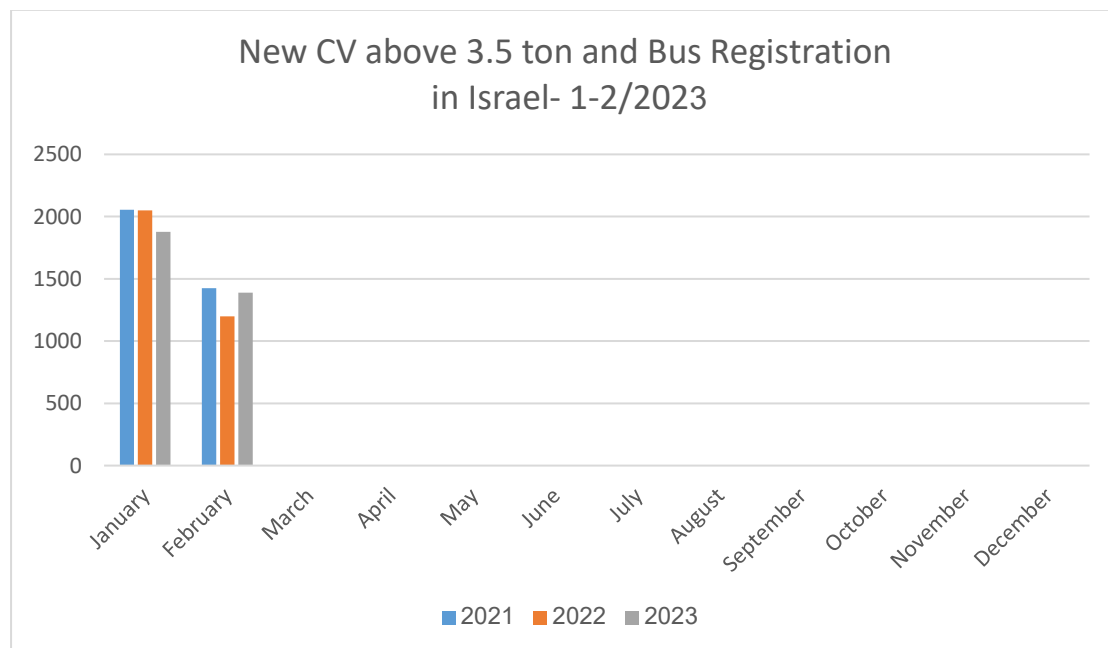
No.	Brand	February					Jan-Feb				
		Share%		Units		Change%	Share%		Units		Change%
		2023	2022	2023	2022	23/22	2023	2022	2023	2022	23/22
1	Hyundai	15.5	16.8	4519	4257	6.2	16.9	20.2	12935	12644	2.3
2	Kia	11.5	15.1	3352	3827	-12.4	10.8	14.7	8264	9194	-10.1
3	Mazda	5.7	5.2	1669	1308	27.6	8.2	7.0	6284	4380	43.5
4	Toyota	10.0	18.3	2906	4635	-37.3	7.8	15.0	5942	9391	-36.7
5	BYD	5.5	#VALUE!	1590	Entered 2022	0.0	6.0	#VALUE!	4589	Entered 2022	0.0
6	Skoda	5.6	4.7	1630	1188	37.2	4.4	5.4	3380	3399	0.0
7	Mitsubishi	3.4	5.9	987	1502	-34.3	4.2	4.8	3221	3024	-6.5
8	Chery	5.0	#VALUE!	1444	Entered 2022	0.0	4.0	#VALUE!	3044	Entered 2022	0.0
9	Citroen	4.2	3.2	1215	815	49.1	3.1	2.6	2334	1624	43.7
10	Suzuki	3.1	3.3	891	827	7.7	3.0	2.8	2259	1781	26.8
11	Geely	3.4	0.7	1000	169	492.0	2.9	0.6	2200	391	462.7
12	Seat	2.0	1.8	585	455	28.6	2.7	1.8	2095	1120	87.1
13	Subaru	1.8	1.3	520	336	54.8	2.6	1.8	1967	1137	73.0
14	Peugeot	3.0	3.1	865	783	10.5	2.6	2.3	1947	1444	34.8
15	Mercedes	1.1	1.4	335	359	-6.7	2.4	2.4	1802	1504	-19.8
16	Renault	3.0	0.8	870	207	320.3	2.2	0.8	1644	474	246.8
17	MG	0.8	1.4	232	348	-33.3	2.0	1.0	1535	604	154.1
18	Audi	1.3	0.9	365	227	60.8	1.5	1.3	1113	786	41.6
19	Chevrolet	1.0	0.7	301	184	63.6	1.4	0.8	1098	508	116.0
20	Opel	1.8	0.7	526	186	181.8	1.1	0.7	814	414	96.6



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

Commercial Vehicles above 3.5-ton registration: +15.9% compared with February 2022.

In February 2022, the Israeli market for CVs above 3.5 tons registered an increase of 15.9% with 1,388 new registrations, compared with 1,198 units in February 2022. Since January, 3,267 units have been registered, a rise of 3.9% compared with Jan-Feb 2022.





New CV above 3.5-ton Registration in Israel 1-2/2023 - According to Brands

No	Brand	February					Jan-Feb				
		Share%		Units		Change%	Share%		Units		Change%
		2023	2022	2023	2022		2023	2022	2023	2022	
1	Mercedes	13.5	9.2	154	92	-67.4	14.2	11.2	369	299	23.4
2	Volvo	12.8	11.3	146	113	29.2	13.7	13.3	355	354	0.0
3	Dodge-Ra	16.3	1.6	185	16	1056.3	13.2	2.8	342	76	350.0
4	Scania	10.6	5.2	120	52	130.8	11.0	7.3	285	195	46.2
5	Isuzu	8.8	8.5	100	85	17.6	10.2	8.5	265	226	17.3
6	DAF	9.6	7.7	109	77	41.6	9.8	7.5	254	199	27.6
7	Chevrolet	6.4	5.6	73	56	-30.3	7.6	6.2	198	165	20.0
8	Ford	9.6	6.8	109	68	60.3	5.9	7.0	154	187	-17.6
9	MAN	4.3	9.2	49	92	-46.7	5.0	9.1	129	243	-46.9
10	Iveco	3.6	3.8	41	38	7.9	3.5	3.3	91	89	2.2
11	Renault	2.1	11.2	24	112	-78.6	2.4	5.7	63	152	-58.6
12	FIAT	0.4	2.9	5	29	-82.8	1.6	4.0	42	106	-60.4
13	Peugeot	1.0	6.2	11	62	-82.3	1.4	2.9	37	77	-51.9
14	HINO	0.7	2.7	8	27	-70.4	1.2	2.3	31	61	-49.2
15	Fuso	0.1	0.1	1	1	0.0	0.2	0.1	5	4	25.0
16	Maxus	0.1	0.1	1	1	0.0	0.2	0.1	4	2	100.0
17	JAC	0.1	0	1	0	100	0.0	0	1	0	100

New Bus Registration in Israel 1-2/2023 - According to Brands

No.	Brand	February					Jan-Feb				
		Share%		Units		Change%	Share%		Units		Change%
		2023	2022	2023	2022		2023	2022	2023	2022	
1	Mercedes	36.3	40.2	91	78	16.7	36.0	42.4	242	202	19.8
2	Volvo	20.7	18.6	52	36	44.4	3.2	9.5	99	45	120.0
3	Golden Dragon	7.6	10.3	19	20	-5.0	2.8	17.4	86	83	3.6
4	Higer	13.9	9.3	35	18	94.4	2.3	4.8	71	23	208.7
5	Otokar	8.4	0.0	21	0	100.0	1.6	5.9	49	28	75.0
6	MAN	4.0	10.3	10	20	-50.0	1.1	4.0	34	19	78.9
7	BYD	0.0	0	0	0	0	1.0	0.2	31	1	3100
8	Temsa	1.2	0.5	3	1	200.0	0.6	0.2	19	1	1800
9	Scania	0.8	3.6	2	7	-71.4	0.5	5.7	14	27	-48.1
10	Zhong Tong	3.2	0.5	8	1	700.0	0.4	0.2	11	1	1400.0
11	IRIZAR	2.4	0.0	6	0	100.0	0.4	0.6	11	3	266.7
12	Ankai	0.8	2.6	2	5	-60.0	0.1	1.1	2	5	-60.0
13	Wisdom	0.4	0.0	1	0	Entered 2022	0.0	0.0	1	0	Entered 2022
14	Ford	0.0	0.0	0	0	0	0.0	2.1	1	10	-90
15	DAF	0.0	0	0	0	0	0.0	1.5	1	7	-85.7



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

HARMAN Collaborating with ProteanTecs

ProteanTecs, an Israeli company founded in 2017 to develop deep data analytics for monitoring advanced electronics, is collaborating with Harman to advance predictive and preventive maintenance for automotive electronics. The solution developed by the two companies combines OTA technology, deep data analytics, and advanced device health monitoring to notify, predict and prevent malfunctions in the entire fleet.

C2A Security partners with Engineering Giant SEGULA Technologies

Israeli start-up C2A Security, the provider of an automotive-designated DevSecOps platform, will collaborate with engineering giant SEGULA Technologies to improve cybersecurity in the automotive chain. The two companies have decided to combine their strengths to offer car makers and mobility companies a new range of cybersecurity services, allowing them to test their vehicles' resistance to cyber threats and to meet new automotive security regulations and standards like the WP.29 or the ISO/SAE 21434. The new partners will deploy a strategic business line across SEGULA's 30 countries of operation, incorporating a full range of cyber risk assessment and remediation analysis solutions to easily ensure compliance with the new cybersecurity regulations, designed to support all stages of development of the automotive chain and covering all the segments of the sector, from the vehicle to the charging station.

Addionics Unveils World's First 3D Electrode Manufacturing Pilot Line for EV Batteries

Addionics, An Israeli battery technology start-up, is launching a new state-of-the-art pilot line for manufacturing its advanced Smart 3D Electrodes™ for EV batteries. With Addionics' partners' support, the company will expand its technological developments primarily for the automotive industry, which includes leading global automakers and tier 1 suppliers. Inaugurated this February, the new site covers



over 1,500 sq. ft and will serve as the company's headquarters in addition to its US, UK, and Germany locations. It includes office space for over 50 employees, advanced laboratories, and a pilot line dedicated to accelerating the development and production of its chemistry-agnostic Smart 3D Electrodes™ technology, used to improve all key performance metrics for batteries, including energy density, power, safety, and extending lifetime – all without increasing cost. The new facility can produce up to 10kWh and will increase to about 100kWh by the end of 2024. Addionics expects to reach 1 GWh production capability during 2025.

CityTransformer Launches a 50M\$ Series B Funding Round

Israeli electric vehicle (EV) startup City Transformer aims to launch production of its small urban CT-2 model in Western Europe by the end of 2024. With that aim, it is launching a Series B funding round to raise \$50 million. CEO Asaf Formoza told Reuters that the company has so far raised \$20 million and selected a factory in Western Europe where it will have an initial annual production of 15,000 vehicles, but has yet to disclose its location. Even though City Transformer's investors include vehicle importers and distributors, it plans to sell most of its cars directly to customers online, similar to Tesla. The start-up says it has more than 1,000 pre-orders. The company was founded in 2014 and revealed the prototype in 2017. Since then, the first production version, CT-1, was unveiled and received accolades. The CT models have a unique folding mechanism that allows them to “shrink” to a width of just under one meter to maneuver and park easily in urban environments.

ASPIRE and Electron Partner to Develop Dynamic Wireless Charging Roadway in Utah

Electron, a leading in-road wireless EV charging technology developer, and ASPIRE (Utah State University), a National Science Foundation-funded Engineering Research Center, have announced a strategic partnership to develop and operate a one-mile-long dynamic wireless charging roadway in Utah. The Utah Inland Port Authority will host the project. It will showcase the commercial



feasibility of dynamic wireless charging for freight vehicles and its ability to reduce battery size, extend battery range, lower vehicle cost, and reduce grid pressure.

The project's comprehensive development and design phase is set to take place in 2023, with deployment set for 2024. The data obtained during the first phase will inform future scaling efforts, including the possibility of deploying dynamic wireless charging systems in the Salt Lake City region along the I-15 and I-80 corridors. The dynamic wireless charging system will be designed to support expansion to other regional centers, including Los Angeles, San Francisco, Seattle, and Denver. The partnership between ASPIRE and Electron follows a successful collaboration that included the deployment of a 164-foot test track of dynamic in-road wireless charging technology at Utah State

Dr. Hanan Golan

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Hezi Shayb – Ph.D.
CEO – I-Via

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